

LEGISLATIVE JOURNAL OF THE STATE OF NEBRASKA

SEVENTY-FOURTH (EXTRAORDINARY) SESSION

CONVENED OCTOBER 21, 1963; ADJOURNED NOVEMBER 23, 1963

LINCOLN, NEBRASKA

Compiled
Under Authority of the Legislature
by
HUGO F. SRB, CLERK

**Printed by
Joe Christensen
Lincoln, Nebraska**

OFFICERS OF THE LEGISLATURE

Dwight W. Burney (Lieutenant Governor), President	Hartington
William Moulton, Speaker	Omaha
Hugo F. Srb, Clerk	Dodge
Duane Hubbard, Assistant Clerk	Hebron
Martin Schroeder, Chaplain	Lincoln
Mrs. Ruby B. Nelson, Postmaster	Lincoln
George L. Santo, Sergeant-at-arms	Lincoln
Donald V. Cary, Assistant Sergeant-at-arms	Lincoln

PRESS, RADIO & TV REPRESENTATIVES

Ellis M. Rall	Lincoln Journal
Del Snodgrass	Lincoln Journal
Dick Herman	Lincoln Journal
Betty Person	Lincoln Star
Don Walton	Lincoln Star
Donald E. Shasteen	Omaha World Herald
Gregg McBride	Omaha World Herald
Odell A. Hanson	Associated Press
Daniel J. McNulty	Associated Press
John Morris	Associated Press
Charles E. Wieser	United Press International
William B. Ketter	United Press International
Barclay Bayley	Nebraska Education News
Sandra Risser	Nebraska Education News
Vern Scofield	Nebraska Press Association
Jack Frost	Radio Station KFOR
John Hanlon	Radio Station KLMS
Herbert Burton	Radio Station KFMQ
Bernie Camp	Radio Stations KRVN, Lexington; WJAG, Norfolk; KCSR, Chadron; KVSH, Valentine and KTNC, Falls City
Mel Mains	KOLN-TV/KGIN-TV
Bob Taylor	KOLN-TV/KGIN-TV
Don Wright	KOLN-TV/KGIN-TV
Jack B. Riggle	KMTV
Barbara Fox	WOW-TV/WOW-Radio
Ralph Fox	WOW-TV/WOW-Radio

LEGISLATURE

IV

MEMBERS

Dist.	Name	Address	Occupation	Counties
1	Lloyd W. Stalder	Humboldt	Farmer, Livestock Feeder	Richardson, Pawnee, Johnson
2	William B. Brandt	Unadilla	Attorney	Nemaha, Otoe
3	Dale L. Payne	Papillion	Public Relations	Cass, Sarpy
4	George Syas	Omaha	Machinist, U.P. Railroad	Douglas
5	Edward R. Danner	Omaha	Field Representative UPWA (butcher)	Douglas
6	Sam Klaver	Omaha	Attorney, Publisher	Douglas
7	William R. Skarda, Jr.	Omaha	Salesman	Douglas
8	Eugene T. Mahoney	Omaha	Customer Relations	Douglas
9	Michael P. Russillo	Omaha	Rear Admiral USN (Ret)	Douglas
10	William Moulton	Omaha	Public Relations Associate, Neb. Brewers Association	Douglas
11	Ross H. Rasmussen	Hooper	Farmer, Businessman	Dodge, Washington
12	W. H. Hasebroock	West Point	Food Store Owner	Burt, Cuming
13	Hal Bridenbaugh	Dakota City	Farmer	Dakota, Dixon, Thurston
14	J. W. Burbach	Crofton	Grain-Feed-Fertilizer Dealer, Farmer Feeder	Cedar, Knox
15	H. L. Gerhart	Newman Grove	Banker	Madison, Pierce
16	Peter H. Claussen	Leigh	Farmer	Colfax, Stanton, Wayne

MEMBERS (Continued)

Dist.	Name	Address	Occupation	Counties
17	Harold B. Stryker	Rising City	Farmer	Butler, Saunders
18	Jerome Warner	Waverly	Farmer-Registered Hereford Cattle	Lancaster
19	Marvin E. Stromer	Lincoln	Visiting Lecturer-Neb. Wesleyan University and University of Omaha	Lancaster
20	Fern Hubbard Orme	Lincoln	Housewife	Lancaster
21	Thomas H. Damrow	Beatrice	Retired Farmer	Gage
22	Arnold Ruhnke	Plymouth	Farmer	Jefferson, Thayer
23	Eric Rasmussen	Fairmont	General Farmer	Fillmore, Saline
24	Clifton N. Foster	Milford	Educator	Seward, York
25	Maurice A. Kremer	Aurora	Farmer, Businessman	Clay, Hamilton, Polk
26	F. O. Gottschalk	Columbus	Finance-Insurance	Platte, Nance
27	Matt Wylie	Elgin	Farming, Livestock	Antelope, Boone
28	Frank Nelson	O'Neill	Farming, Ranching	Holt, Boyd, Rock, Keya Paha
29	LeRoy Bahensky	St. Paul	Farmer	Greeley, Howard, Valley, Wheeler
30	T. C. Reeves	Central City	Farming, Ranching	Hall, Merrick
31	Richard D. Marvel	Hastings	Insurance	Adams, Kearney
32	Kenneth L. Bowen	Red Cloud	Real Estate, Insurance, Farmer	Franklin, Webster, Nuckolls
33	Don Thompson	McCook	Farmer, Stockman	Red Willow, Furnas, Harlan
34	Richard Lysinger	Ravenna	Theatre Owner-Manager, Salesman	Buffalo, Sherman

MEMBERS (Concluded)

1A

Dist.	Name	Address	Occupation	Counties
35	M. M. Forrester	Anselmo	Cattle Ranching	Custer, Loup, Garfield
36	Albert A. Kjar	Lexington	Farming, Grain, Feed- Farm Implements	Dawson, Phelps, Gosper
37	Dale Erlewine	Grant	Farmer	Perkins, Chase, Hayes, Dundy, Hitchcock
38	Cecil Craft	North Platte	Engineer	Lincoln, Frontier
39	Donald McGinley	Ogallala	Attorney-Livestock Farmer	Arthur, Blaine, Deuel, Garden, Grant, Hooker, Keith, Logan, McPherson, Thomas
40	Elvin Adamson	Nenzel	Rancher	Sheridan, Cherry, Brown
41	George C. Gerdes	Alliance	Farmer, Rancher	Box Butte, Sioux, Dawes
42	Terry Carpenter	Scottsbluff	Business, General	Scotts Bluff
43	George H. Fleming	Sidney	Farming, Ranching	Cheyenne, Kimball, Banner, Morrill

CLERK

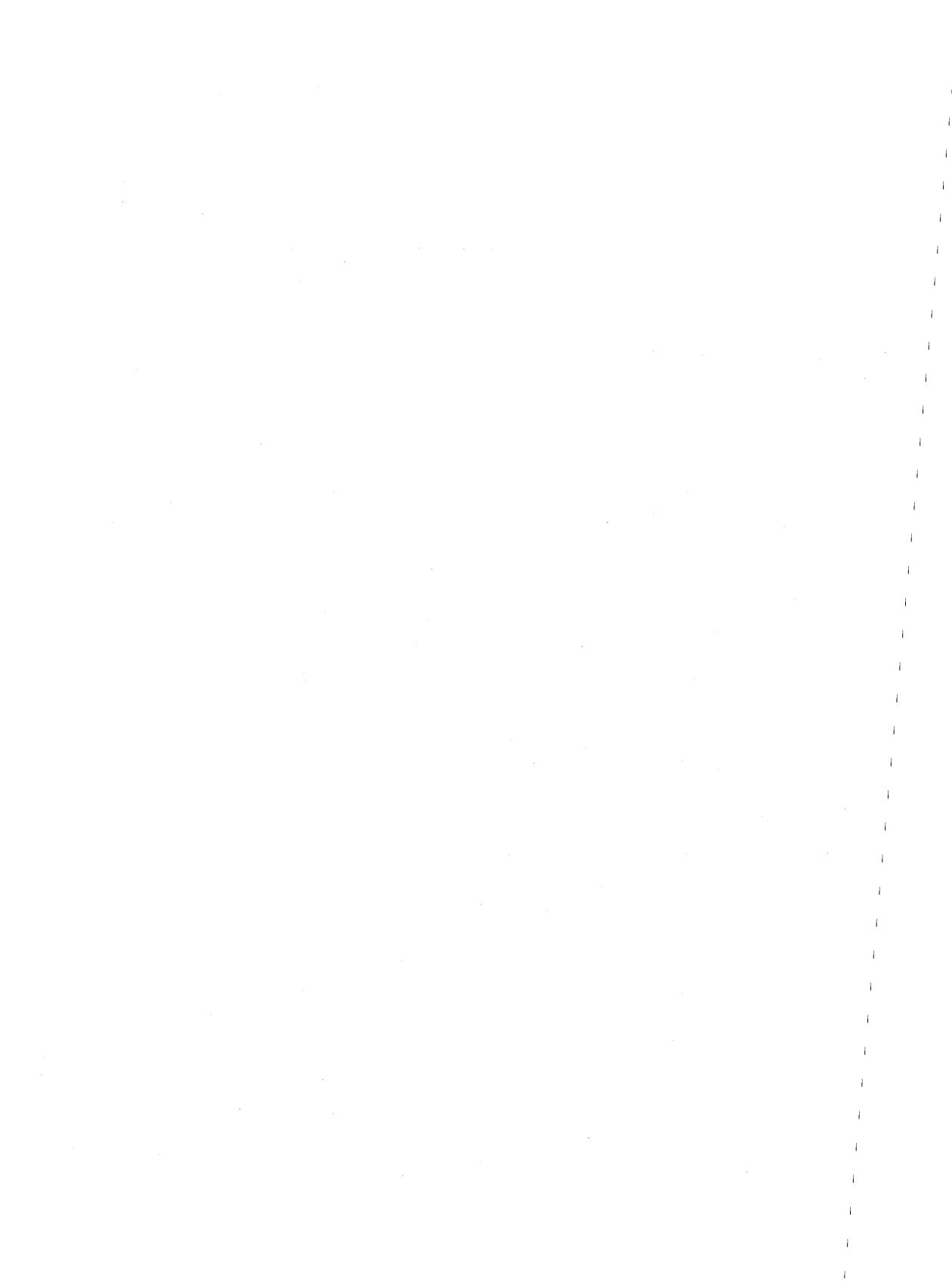
Hugo F. Srb

Dodge

RULES OF THE NEBRASKA LEGISLATURE

TABLE OF CONTENTS

- Rule 1 Authority
- Rule 2 Presiding Officer
- Rule 3 Officers Elected and Their Duties; Employees,
Selection and Duties
- Rule 4 Members; Attendance, Decorum, Debate
- Rule 5 Committees
- Rule 6 Committee Hearings and Reports, Officers
- Rule 7 Order of Business
- Rule 8 Daily Journal
- Rule 9 Manner and Record of Voting
- Rule 10 Motions and Their Precedence
- Rule 11 Bills; General Provisions
- Rule 12 Bills; Stages in Consideration
- Rule 13 Petitions and Memorials
- Rule 14 Questions and Reference
- Rule 15 Resolutions
- Rule 16 Privileges of the Floor
- Rule 17 Suspension and Amendment of Rules



RULES OF THE NEBRASKA LEGISLATURE**RULE 1****Authority**

Constitution of Nebraska. Art. III, Sec. 10

Gregg's Handbook of Parliamentary Law. The rules of parliamentary practice comprised in Gregg's Handbook of Parliamentary Law, Rev. Ed. c 1940, shall govern the Legislature in all cases to which they are applicable and in which they are not inconsistent with the standing rules of the Legislature.

Amendment and suspension of rules. Rule 17.

RULE 2**Presiding Officer**

Section 1. Presiding Officer: Lieutenant Governor, Speaker. The Lieutenant Governor shall preside as president of the Legislature, and the Speaker shall preside when the Lieutenant Governor shall be absent, incapacitated or shall act as Governor. (Const. Art. III, Sec. 10). All references herein made to the President shall be construed as meaning also the Speaker whenever he may preside.

Member of Reference Committee. Rule 14.

Sec. 2. Chairman of Judiciary Presides, When. In the absence of both the Lieutenant Governor and the Speaker, the chairman of the Judiciary Committee shall preside, and shall exercise all the powers herein conferred on the President, except the authority to sign bills or resolutions passed by the Legislature.

Sec. 3. Member Presides, When. The President shall have the right to name any member to perform the duties of the chair, but such substitution shall not extend beyond adjournment.

Sec. 4. President Calls Legislature to Order: Quorum. The President shall take the chair each legislative day at the hour to which the Legislature shall have adjourned at the

last sitting. He shall call the Legislature to order, and a quorum being present, shall proceed in the manner and order prescribed by these rules. A majority of the members elected to the Legislature shall constitute a quorum. Const. Art. III, Sec. 10.

Sec. 5. Absence of Quorum. If the President finds that a number less than a quorum is present, he shall so state, and a majority of the members present, if five in number, may compel the presence of all members subject to a call of the Legislature.

Sec. 6. President to Preserve Order. The President shall preserve order and decorum, and in case of disturbance or disorderly conduct in the galleries, or in the lobby, may cause the same to be cleared.

Sec. 7. Point of Order, President Decides: Appeal. The President may speak to a point of order in preference to members, rising from his seat for that purpose, and shall decide the questions of order, subject to an appeal to the Legislature by any member; on which appeal no member may speak more than once, unless by leave of the Legislature.

Sec. 8. Putting Question. The President shall rise to put a question, but he may state it sitting.

Sec. 9. President Shall Sign. The President shall sign, in the presence of the Legislature, while the same is in session and capable of transacting business, all bills and resolutions passed by the Legislature (Const. Art. III, Sec. 14). All writs, warrants and subpoenas issued by order of the Legislature shall be under his hand and seal, attested by the Clerk.

Sec. 10. Lieutenant Governor Votes, When. The Lieutenant Governor, when presiding, shall vote only when the Legislature is equally divided. Const. Art. III, Sec. 10.

RULE 3

Officers Elected and Their Duties: Recall; Employees, Selection and Duties.

Sec. 1. Nomination and Election. At the commencement of each regular session, the Legislature shall nominate by informal ballot and shall elect by ballot the following officers:

Speaker
Clerk of the Legislature
Sergeant-at-arms
Postmaster
Chaplain

Sec. 2. Officers, Vote Necessary to Elect. A majority vote of the elected members shall be required for the election of each such officer.

Sec. 3. Recall of Officers. Any officer of the Legislature may be recalled upon a two-thirds majority vote of the members elected to the Legislature, and the vacancy thus created shall be filled by a majority vote of the members.

Sec. 4. Oath of Officers. Each permanent officer shall take an oath to support the constitution of the United States, and the constitution of the State of Nebraska, and to discharge faithfully the duties of his office according to the best of his ability.

Sec. 5. Duties of Officers, General. In general the duties of the officers of the Legislature shall be those usual to such officers.

Sec. 6. Speaker, Duties. Rule 2.

Speaker is member of Reference Committee. Rule 14, Sec. 1.
Speaker is member of the Executive Board of the Legislative Council. See 50-401.01, R.R.S. 1943.

Sec. 7. Clerk of the Legislature, Duties.

(a) The Clerk of the Legislature shall keep a brief but accurate daily journal of the proceedings of the Legislature. Const. Art. III, Sec. 11.

Daily Journal. Rule 8.

(b) The Clerk of the Legislature shall have authority to select and employ suitable persons for all of the positions which may be determined upon as necessary by the Legislature, and shall have complete supervision and assignment of all employees, including the right to discharge any one or more of them. All employees shall be selected without reference to party affiliation and shall be chosen upon the basis of merit, the compensation to be fixed by the Legislature.

(c) The Clerk of the Legislature shall print no paper or document, except bills and the daily journal, unless authorized by a majority vote of the elected members of the Legislature.

(d) The Clerk of the Legislature shall make a detailed and itemized report to the Legislature each month, concerning the number of employees, and the amount paid for their services, especially setting out the amount of regular time and overtime, and to whom paid.

(e) The Clerk of the Legislature shall have general charge, except as may be provided by law or by rule, of such parts of the Capitol and its passages as are or may be set apart for the use of the Legislature and its officers and employees.

Sec. 8. Assistant Clerk, Duties. The Assistant Clerk, appointed by the Clerk of the Legislature, and approved by the Legislature, shall, in the absence of the Clerk, be authorized to exercise all of the duties herein prescribed for the Clerk of the Legislature, including the signing of those papers which may require the signature of the Clerk of the Legislature.

Sec. 9. Sergeant-at-arms, Duties. The Sergeant-at-arms shall attend the Legislature during its sittings, to execute the commands of the Legislature from time to time, together with all such processes issued by authority thereof as shall be directed to him by the presiding officer, and shall enforce strictly the rules as they relate to privileges of the legislative chamber.

Sec. 10. Assistant Sergeant-at-arms, Duties. The Assistant Sergeant-at-arms, appointed by the Clerk of the Legislature, and approved by the Legislature, shall assist the Sergeant-at-arms and in the absence of the latter, shall perform all of the duties herein prescribed for the Sergeant-at-arms.

Sec. 11. Postmaster, Duties. The Postmaster shall superintend the post office kept in the Capitol for the accommodation of the members, and shall be responsible for the prompt and safe delivery of their mail.

Sec. 12. Chaplain, Duties. The Chaplain shall attend and shall open with prayer each day's sitting of the Legislature.

RULE 4

Members: Attendance, Decorum and Debate

Sec. 1. Presence of Members Required. Every member shall be present within the legislative chamber during the sittings of the Legislature and shall attend the regular meetings of the standing committees of which he is a member, unless excused or necessarily prevented.

Sec. 2. Presence of Member May Be Compelled. The presence of any member may be compelled, if necessary, by sending the Sergeant-at-arms, or such other person or persons as the membership present may authorize, at the expense of such absent member, unless such excuse for non-attendance is made as the Legislature may judge sufficient; and in that case the expense shall be paid out of the contingent fund.

Call of the Legislature. Rule 9, Sec. 8.

Sec. 3. Absence of Member May Be Explained. Upon the completion of the roll call on the final passage of a bill, any member may explain the absence of any other member, and if requested in writing by the absent member to do so, may state how he would have voted if present, and such

statement, if submitted to the Clerk in writing, and containing not more than thirty words, shall be entered in the daily journal.

Sec. 4. Expulsion of Members. No member shall be expelled except by a vote of two-thirds of all members elected to the Legislature, and no member shall be twice expelled for the same offense. Const. Art. III, Sec. 10.

Sec. 5. Decorum: Members May Speak Only When Recognized by President. When a member desires to speak in debate or to deliver any matter to the Legislature, he shall rise from his seat and respectfully address himself to "Mr. President." A member shall speak only when recognized and shall confine himself to the question before the Legislature.

Sec. 6. Decorum: Abusive Language and Interruptions Prohibited. No member shall speak to another who has the floor, except when he may yield to a question, or otherwise interrupt the business of the Legislature. No member shall rise to a question of privilege for the introduction of guests while a member is speaking. No member shall use profane or abusive language when speaking to or about another member.

Sec. 7. Decorum: During Final Reading. Members shall remain in their seats during the final reading of a bill and until the vote thereon has been announced, except when excused by the President.

Sec. 8. Transgression of Rules: Call to Order. If any member, in speaking or otherwise, transgress the rules of the Legislature, the presiding officer shall, or any member may, call him to order, in which case he shall immediately sit down, unless permitted on motion of another member to explain, and the Legislature shall, if appealed to, decide the case without debate. If the decision be in favor of the member called to order, he shall be at liberty to proceed, but not otherwise; and if the case requires it, he shall be liable

to censure or such punishment as the Legislature may deem proper.

Sec. 9. Call to Order: Words Excepted to Must Be Indicated. If a member is called to order for words spoken in debate, the member calling him to order shall indicate the words excepted to, and they shall be taken down in writing at the Clerk's desk and read aloud to the Legislature; but he shall not be held to answer, nor be subject to the censure of the Legislature therefor, if further debate or other business shall have intervened.

Sec. 10. Debate: Limitations, Proponent May Close. No member shall speak more than twice, nor for more than ten minutes on each occasion, upon any one question in debate during the same legislative day, without leave of the Legislature, except in explanation, unless he be the mover, proposer or introducer of the matter pending, in which case he shall be permitted to speak in reply, but not until every other member choosing to speak shall have spoken.

For right of proponent to close debate when previous question ordered, see Rule 10, Sec. 11.

Sec. 11. Explanation of Vote Permitted. A member shall be permitted to explain his vote on roll call upon any question, but such explanation shall be limited to fifty words, and shall not be entered in the daily journal unless the same be submitted to the Clerk in writing.

Sec. 12. Debate: Permanent Record. A verbatim record of all debate and questions on all bills and resolutions, and amendments offered thereto, shall be made, transcribed and preserved, under the direction of the Clerk.

RULE 5

Committees

Sec. 1. Committee on Committees. At the commencement of each session, the Legislature shall elect a Committee on Committees to consist of thirteen members, one at large who shall be chairman, and three from each congressional

district, as the districts were constituted on January 1, 1961, to be nominated by the members residing therein.

Chairman is member of Reference Committee for bills and resolutions. Rule 14, Sec. 1.

Committee on Committees is reference committee on nominations by Governor. Rule 14, Sec. 2.

Sec. 2. Committee on Committees Shall Recommend Standing Committees, Designate Chairmen. The Committee on Committees, by a majority vote of all of its members, shall recommend to the Legislature for its approval and adoption the following standing committees, each with the number of members as hereinafter set forth, one of whom shall be designated by the Committee on Committees as chairman thereof:

Agriculture , including conservation, fish and game, livestock and grazing	7 members
Banking, Commerce and Insurance	7 members
Budget , including finance, ways and means, and state institutions	8 members
Education , including university and normal schools and libraries, and school lands and funds	7 members
Enrollment and Review , including arrangement, phraseology and correlation	1 member
Government and Military Affairs , including state, county and municipal governments, elections and apportionment	7 members
Intergovernmental Cooperation	5 members
Judiciary	7 members
Labor and Public Welfare , including social security and child labor	7 members
Miscellaneous Subjects	7 members
Public Health	7 members
Public Works	7 members
Revenue , including taxation, licenses and fees	7 members
Rules , including procedure and order of business	5 members
Salaries and Claims	7 members

Sec. 3. Committee on Committees Shall Select Other Committees. The Committee on Committees shall select, aside from the standing committees of the Legislature, all other committees, except where otherwise ordered by the Legislature. No investigating committee of the Legislature shall be created except by resolution which shall set forth, with supporting statements, the reasons for and purposes of the investigation, and no committee thus established shall function except during the interim between legislative sessions.

Sec. 4. Committee on Committees Shall Arrange and Publish Schedules of Standing Committee Hearings. The Committee on Committees shall arrange and publish a schedule of regular standing committee meetings, in such manner as to avoid, as far as possible, conflicts in the assignment of members to such committees, and shall cause a copy of such schedule to be posted in some conspicuous place in the Capitol near the legislative chamber.

Sec. 5. Enrollment and Review, Privileged Committee. The Chairman of Enrollment and Review shall be privileged, and shall be in order at any time in reporting bills which have been engrossed for final reading and passage. In the absence of the Chairman the Vice-Chairman of the Judiciary Committee shall assume the duties of the Chairman of Enrollment and Review. The bill drafting service shall have supervision of and provide legal services for the Enrollment and Review Committee.

Sec. 6. Enrollment and Review, Authority to Make Corrections. The Chairman of Enrollment and Review shall have authority, without being required to include the same specifically in his reports and recommendations to the Legislature, in accord with accepted usage:

- a. To correct the spelling of words, to correct erroneous division and hyphenation of words, to capitalize or decapitalize words, and to change numbers from words to figures or from figures to words, in new and independent acts, in the new matter of amendatory

acts, in standing committee reports, and in general file, select file and specific amendments.

- b. To underscore or remove underscoring, as the case requires, in standing committee reports and in general file, select file and specific amendments.

Chairman of Enrollment and Review to give preference to bills readvanced from general file after having been recommitted from select file. Rule 12, Sec. 8-d.

Sec. 7. Committee on Salaries and Claims; Filing, Limitation. No claim shall be considered by the Salaries and Claims Committee unless filed and considered by the Sundry Claims Board within or before the first twenty legislative days of the session, unless otherwise ordered by the Legislature.

Sec. 8. Claims Previously Rejected. The Claims Committee shall not consider any claims heretofore filed with and rejected by the Legislature at two or more previous sessions.

Sec. 9. Committee on Order and Arrangement: Members, Duties. The Committee on Order and Arrangement shall consist of the chairmen of the committees before whom regularly referred bills and resolutions have public hearings, the Chairman of the Committee on Enrollment and Review and the Chairman of the Committee on Committees. The Chairman of the Committee on Committees shall be the chairman of said committee. It shall be the duty of this committee beginning the twenty-first legislative day to report to the Legislature the order in which bills and resolutions shall be considered on general file. The order so reported shall become effective only upon approval of the Legislature. The committee shall meet subject to call by the Chairman.

Reference Committees:

For bills and resolutions. Rule 14, Sec. 1.

For nominations by Governor. Rule 14, Sec. 2.

For amendment of rules. Rule 17.

RULE 6**Committee Hearings and Reports, Officers**

Sec. 1. Vice Chairmen. Each standing committee shall elect from its membership a vice chairman to serve in the absence of the chairman.

Chairmen designated by Committee on Committees. Rule 5, Sec. 2.

Enrollment and Review Vice-Chairman is Vice-Chairman of Judiciary. Rule 5, Sec. 5.

Sec. 2. Committee Hearings, Time. Standing committees shall meet at 2:00 p. m., unless otherwise ordered by the Legislature.

Sec. 3. Committee Hearings, Notice. Before taking final action on a bill or resolution, a committee shall hold a public hearing thereon and shall give at least five calendar days' notice, by publication in the Legislative Journal, of the date and time of said hearing. Committee chairmen shall make rules concerning length of public hearings but no rebuttal shall be for more than ten minutes.

Sec. 4. Committees May Combine and Correlate Bills, Adopt Amendments. Standing Committees shall be authorized to combine and to correlate the provisions of different bills referred to them and related to the same subject under the number of one of the correlated bills, and may, before taking final action on any bill, adopt amendments thereto, for the consideration of the Legislature.

Sec. 5. Record of Committee Proceedings. Each standing committee shall keep a record of its proceedings. Any two members of the committee may demand a roll call upon the reporting of any bill, or upon amendments thereto. The vote so taken shall be made a part of the committee report, and shall be entered in the daily journal.

Sec. 6. Committees Shall Report Promptly. Standing committees shall consider and report without unnecessary delay all bills and resolutions referred to them.

Sec. 7. Legislature May Request Committee Report. Except for the general appropriation bills necessary for the support of the state government for the biennium, the Legislature may, by vote of a majority of the elected mem-

bers, request a report from any standing committee at any time after said committee shall have been in possession of a bill or resolution for twenty legislative days.

Sec. 8. Committee Reports Must Recommend Bills for General File or Indefinite Postponement: Majority Vote of Members at Regular Meeting Required. In reporting bills to the Legislature, whether with or without amendments, a standing committee shall, by vote of a majority of its members, recommend (a) that the bill be placed on general file for the consideration of the Legislature, or (b) that the bill be indefinitely postponed. Such action shall be taken at regularly scheduled committee meetings only. A report on a bill or resolution must be made to the Legislature within eight calendar days after the committee has acted upon the particular measure.

Sec. 9. Effect of Committee Report to Postpone Indefinitely. If the standing committee report on a bill be to postpone indefinitely, the bill shall stand indefinitely postponed; Provided, that such bill may be placed on general file or referred back to the standing committee by a majority vote of all the elected members upon motion made within three legislative days after the committee makes its report to the Legislature, or by a two-thirds vote of all elected members upon motion made more than three legislative days after such committee report. Not more than one bill shall be raised from committee on any one motion. A motion to raise cannot be amended to include any other bill or subject matter. A motion to raise must be disposed of by the Legislature within five legislative days after making the same or it shall be deemed defeated. Consideration of motions pending shall be included in the regular order of business following resolutions.

Sec. 10. Committee Reports, Statements and Amendments: Minority Report. Each standing committee shall, when reporting a bill, submit therewith a brief statement of the main purpose of the bill, and, if recommended to general file, a copy of all amendments recommended by the committee. Such statement shall give the committee's reason for so reporting, and the minority view, if such there be,

shall also be given. Copies of such statements and amendments shall be furnished to the members.

Sec. 11. Executive Sessions. Members and reporters of regularly accredited newspapers, press associations, and radio and television stations shall be admitted to executive sessions of the standing committees, and such reporters and the members of such committees shall respect as confidential the discussions and voting of the other members of any standing committee.

RULE 7

Order of Business

Sec. 1. Hour of Meeting and Adjournment. The Legislature shall meet each legislative day at 9:00 a. m., and adjourn not later than 1:00 p. m., unless otherwise ordered by a majority vote of its members present and voting thereon.

Sec. 2. Order of Business. The order of business of the Legislature shall be as follows:

- a. Prayer by the Chaplain
- b. Roll call
- c. Call for correction of the journal
- d. Petitions and memorials
- e. Notice of committee hearings
- f. Reports of standing committees
- g. Reports of select committees
- h. Resolutions
- i. Pending motions
- j. Introduction of bills
- k. Bills on first reading by title
- l. Reference of bills to committees on a day subsequent to first reading
- m. Bills on final reading
- n. Consideration of bills on select file
- o. Unfinished business, including messages on the President's desk.
- p. Special order of the day
- q. Consideration of bills on general file
- r. Miscellaneous business

Sec. 3. Messages From the Governor, Preference. Messages from the Governor may be received at any stage of the proceedings, except when a question is being put, the yeas and nays are being called for, the ballots are being counted, or a question of order or a motion to adjourn is pending.

Sec. 4. Special Order of the Day, Effect of Adjournment. When a bill shall have been made a special order for a definite time and an adjournment shall intervene for a time beyond the time fixed for such special order, then in that event the bill so made a special order shall be placed in its order on general file.

Sec. 5. Unfinished Business, Effect of Adjournment. The unfinished business in which the Legislature was engaged at the adjournment of the last preceding sitting shall have preference in the special order of the day.

Sec. 6. Legislative Days. Each day except Saturday and Sunday shall be considered a legislative day, unless otherwise specifically ordered by the Legislature, by a majority of the members present and voting thereon.

RULE 8

Daily Journal

Sec. 1. Journal Prepared by Clerk, Furnished to Members; Corrections. A daily journal of the proceedings of the Legislature, as prepared by the Clerk, shall be printed and placed each day upon the desks of the members; and the presiding officer shall call in the regular order of business for corrections thereof. After corrections, if any, are made, the journal shall stand approved without motion.

Sec. 2. Journal Entries. The Clerk shall enter in the daily journal messages of the Governor in full; titles of bills; every vote, including the yeas and nays, and a brief statement of the contents of each resolution, petition, and memorial or other paper presented for the consideration of the Legislature.

Constitutional amendments printed in journal. Const. Art. XVI, Sec. 1.

Sec. 3. Title, Parts of Bills Entered in Journal. In addition to the title, only such parts of a bill as shall be affected by proposed amendments shall be entered in the daily journal.

Sec. 4. Amendments Offered, But Not Adopted, Not Entered: Exception. In the consideration of bills on general or select file, amendments offered but not adopted shall not be entered in the journal except where a record vote is demanded.

Sec. 5. Hour of Adjournment Entered. The hour at which the Legislature adjourns shall be entered in the daily journal.

Sec. 6. Additional Copies for Members. Additional copies of the daily journal, to be mailed at his direction, shall be supplied for the use of each member, in such manner as shall be provided by the Legislature.

Sec. 7. Bound Journal, How Printed. The bound journal of the session shall be printed from the corrected daily journal.

Journal, cross references:

Yeas and nays entered in journal at request of any member. Const. Art. III, Sec. 11.

Yeas and nays on final passage of bill shall be published in the journal. Const. Art. III, Sec. 13.

Explanation of absence and statement of how absent member would have voted. Rule 4, Sec. 3.

Explanation of vote. Rule 4, Sec. 11.

Committee reports. Rule 6, Sec. 5.

Only totals of machine vote entered. Rule 9, Sec. 3.

Notice of committee hearings must be published. Rule 6, Sec. 3.

RULE 9

Manner and Record of Voting

Sec. 1. Votes Taken Viva Voce: Form of Question. All votes shall be taken viva voce. Questions shall be distinctly put in this form, to wit: "Those who are in favor of the question say 'aye'; those who are opposed to the question say 'no'".

Sec. 2. Yea and Nay Vote Required on Final Passage of Bill: Applies to Resolution, When. Upon the final passage of a bill, or of a resolution if the same requires the same consideration as a bill, the vote shall be by yeas and nays, and this rule shall not be suspended.

Sec. 3. Machine Vote, When. If a machine vote is called for, or if the presiding officer is in doubt, he shall cause the result to be obtained by means of the electric roll call system; and only the totals shall be printed in journal.

Sec. 4. Record Vote, Member May Demand. Any member may call for a record vote upon any question (Const. Art. III, Sec. 11), and upon declaration of the yeas and nays by the members, the record thereof shall be made and taken upon the electric roll call system, unless the Legislature by a majority vote decides that a roll call shall be taken.

Sec. 5. For Yeas and Nays and Call of House. Vote on Electric System: Limitation on Time to Vote. In taking the yeas and nays and upon call of the Legislature, the members shall register their vote upon the electric roll call system. When the yeas and nays are taken upon any question in the manner heretofore indicated, no member shall be permitted to vote after the decision is announced from the chair.

Sec. 6. When More Than Majority Vote Necessary, Electric System Used. In all instances where the vote, necessary to adopt a motion or other proposition, is other than that of a majority voting upon the question, the presiding officer shall, unless the Legislature by unanimous vote decides otherwise, cause the result thereof to be obtained by means of the electric roll call system. In such case, no member shall be permitted to vote after the yeas have been announced by the Clerk. Votes not registered on the electric roll call system or given to the Clerk by voice shall not be counted for or against a proposition.

Sec. 7. Member May Demand Verification of Vote. Any member may demand verification of the vote on roll call;

Provided, that on the final passage of bills verification shall always be made.

Sec. 8. Call of the Legislature. A call of the Legislature must be seconded by at least five members. Thereupon, and upon call of the presiding officer, each member present shall indicate his presence upon the electric roll call system and shall remain in his seat during the call. After the Clerk shall note the names of the absentees, proceedings under the call may be suspended at any time by a majority vote of the members elected, and when so suspended shall not again be ordered on the proposition pending, except by a majority vote of the members present and voting thereon. When the Legislature has been under call for fifteen minutes, and if all absentees were to vote on one side of the question, and if their combined vote would be insufficient to change the result of the vote, the President shall declare the call raised.

Voting, cross references:

Lieutenant Governor votes only when Legislature equally divided. Rule 2, Sec. 10.

Explanation of vote. Rule 4, Sec. 11.

RULE 10

Motions and Their Precedence

Sec. 1. Statement of Motions. When a motion has been made and seconded, the presiding officer shall state it, or being in writing, shall cause it to be read aloud by the Clerk before being debated.

Sec. 2. Motions Must be Written, When. Every motion shall be reduced to writing if the presiding officer or any member desires it.

Sec. 3. Withdrawal or Modification of Motions. After a motion has been stated by the presiding officer, or read by the Clerk, it shall be deemed in possession of the Legislature, but may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

Sec. 4. Motions Received When Questions Under Debate: Precedence. When a question is under debate no motion shall be received but:

- a. To adjourn.
- b. To lay on the table.
- c. For the previous question.
- d. To postpone to a certain time.
- e. To commit.
- f. To amend.
- g. To postpone indefinitely.

Such motions shall have precedence in the order in which they are arranged; except that motions to postpone indefinitely and amend do not yield to each other. No motion to postpone to a certain time, to commit or to postpone indefinitely being decided, shall again be allowed on the same day at the same stage of the bill or proposition.

Sec. 5. Motion to Strike Enacting Clause; Effect, Precedence. A motion to strike the enacting clause of a bill, if carried, is equivalent to rejection of the bill. Such motion shall not have precedence over a motion to amend nor over a motion to postpone indefinitely.

Sec. 6. Motion to Adjourn, Adjourn to Time Certain, to Recess: Precedence. A motion to adjourn, or a motion to fix the day to which the Legislature shall adjourn shall always be in order, except:

- a. While a member is speaking.
- b. When a motion to adjourn has just been defeated.
- c. When a motion to fix the day to which the Legislature shall adjourn has just been defeated.
- d. After the final reading of a bill and during roll call thereon.

Provided, however, that a motion to adjourn to a time certain shall have precedence over a motion to adjourn; and provided further, that a motion to recess shall take precedence over either of such motions.

Sec. 7. Motion to Adjourn Pending Motion to Suspend Rules. Pending a motion to suspend the rules, the presiding officer may entertain one motion to adjourn, but after the result thereon is announced he shall entertain no other motion until the vote has been taken on suspension.

Sec. 8. The Previous Question, Form. The previous question shall be in this form, "Shall the debate now close?"

Sec. 9. The Previous Question: Seconds Required, Vote Necessary, Effect. The previous question shall be in order when demanded by five or more members and must be sustained by the vote of a majority of the elected members, and until decided shall, except as provided in Section 11 of this rule, preclude further debate and all amendments and motions, except one motion to adjourn and one motion to lay on the table.

Sec. 10. Previous Question Undebatable. On a previous question there shall be no debate. All incidental questions of order, arising after a motion is made for a previous question, and pending such motion, shall be decided, whether on appeal or otherwise, without debate.

Sec. 11. Previous Question Ordered: Proponent to Close Debate. When the previous question shall have been ordered on a proposition under debate, the mover, proponent or introducer of such proposition shall be given the right to close the debate thereon.

Sec. 12. Questions of Privilege, What Are. Questions of privilege shall be, first, those affecting the rights of the Legislature collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of members, individually, in their representative capacity only; and shall have precedence over all other questions, except motions to adjourn. Questions of privilege shall not be used to permit any discussion or debate pertaining to any measure pending before the Legislature.

Question of privilege is not in order for introduction of guests while member speaking. Rule 4, Sec. 6.

Sec. 13. Reconsideration: Who May Move, Time for Motion. When a question has been decided, it shall be in

order for any member voting with the prevailing side, or not voting, to move a reconsideration thereof. A motion to reconsider must be made on the same day the original question was decided or on the next legislative day, except when it be to reconsider the vote on a bill which lacked the constitutional majority on a final reading. In such case, it must be made on the same day the original question was decided or on one of the next three legislative days. If the Legislature shall refuse to reconsider, or upon reconsideration shall affirm its first decision, no further motion to reconsider shall be in order unless by unanimous consent.

Motion to reconsider cannot be withdrawn without leave. Rule 10, Sec. 3.

Sec. 14. Reconsideration, Precedence. Every motion to reconsider shall take precedence over all other questions, except a motion to adjourn.

Sec. 15. Reconsideration, Vote Necessary. For its adoption, a motion to reconsider shall require the vote of a majority of the elected members, except:

- a. Where such motion be to reconsider the vote on a bill which lacked the constitutional majority on a final reading, then a three-fifths vote shall be required for adoption.
- b. Where such motion be to reconsider the vote on a bill which lacked the constitutional majority on a final reading with the emergency clause attached, but which received the constitutional majority with the emergency clause stricken and the purpose of the motion is to again add the emergency clause, then a two-thirds vote of the elected members shall be required for adoption.

Sec. 16. Amendments in Order. When a motion or other proposition is under consideration, a motion to amend and a motion to amend that amendment shall be in order.

Sec. 17. Amendment to Title of Bills. Amendments to the title shall not be in order during the consideration of a

bill or resolution on general or select file until the bill or resolution shall have been considered in full.

Sec. 18. Amendment Laid on Table Does Not Carry Principle Measure. When an amendment proposed to any pending measure is laid on the table, it shall not carry with it or prejudice such measure.

Sec. 19. Amendments, Preference in Consideration. When the Legislature is considering bills on either general or select file, after giving consideration to standing committee amendments, it shall give preference to such amendments as may have been on file with the Clerk, with copies on the members' desks for one legislative day in advance, and then to such other amendments as have been deposited with the Clerk, in the order in which they were received by him.

Sec. 20. Amendments, Must Be Germane. No motion, proposition or subject, different from that under consideration, shall be admitted under color of amendment.

Sec. 21. Division of a Question, When. Any member may call for the division of a question, which shall be divided if it comprehends propositions in substance so distinct that, one being taken away, a substantive proposition shall remain for the decision of the Legislature. A motion to strike out and insert shall be deemed indivisible; but a motion to strike out, being lost, shall not preclude an amendment or a motion to strike out or insert.

RULE 11

Bills—General Provisions

Sec. 1. Introduction. Upon call for the introduction of bills, any member or any standing committee to which bills are referred for consideration may introduce one or more bills. No bill shall be introduced unless it has been approved as to form and draftsmanship by the legislative bill drafter.

Except with unanimous consent or a vote of a majority of the elected members, no bill shall be introduced which bears the names of more than three members. The name of the introducer shall be followed by the number of his legislative district.

Sec. 2. Introducer Must Be Willing to Support. Members shall introduce only such bills as they are willing to endorse and support personally.

Sec. 3. Time for Introduction, Limitation. No bill shall be introduced after the twentieth legislative day, except upon recommendation of the Governor, or by a standing committee upon the vote of a majority of its members and upon the vote of three-fifths of the elected members of the Legislature.

Sec. 4. Bills, How Designated. A bill shall be designated as Legislative Bill —.

Sec. 5. Bill Must Contain Only One Subject: Amendment of Laws. No bill shall contain more than one subject, and the same shall be clearly expressed in the title. And no law shall be amended unless the new act contains the section or sections as amended, and the section or sections so amended shall be repealed. Const. Art. III, Sec. 14.

Sec. 6. Amendatory Bill, How Printed. An amendatory bill shall be so prepared and printed as to show the new matter proposed, old matter to be retained, and old matter to be omitted from the statutes.

Sec. 7. Bills Must Be Engrossed Before Final Reading. All bills, before being advanced to final reading and passage, shall be engrossed by typewriter, and if amended, shall be reprinted in the manner prescribed in the preceding section, and copies thereof shall be supplied for the use of members.

Sec. 8. Bills Must Receive Two Readings Before Passage. Every bill and resolution shall be read by title when introduced, and a printed copy thereof provided for the use of each member, and the bill and all amendments thereto

shall be printed and read at large before the vote is taken upon its final passage. Const. Art. III, Sec. 14.

Sec. 9. Vote Required to Expend Money or Change Compensation. It shall require the vote of a majority of the members elected to expend money by the Legislature or to change the compensation of any officer or employee.

Sec. 10. Withdrawal of Bills. No bill, having been introduced, may be withdrawn except upon motion of the first introducer with the consent of his co-introducers. Such motion, when made, shall not be considered prior to the next succeeding legislative day, and, for its adoption, shall require the affirmative vote of a majority of those voting upon the question.

RULE 12

Bills—Stages in Consideration

Sec. 1. Introduction and First Reading.

Introduction. Rule 11, Secs. 1, 2.

Time for introduction. Rule 11, Sec. 3.

First reading. Rule 11, Sec. 8.

Sec. 2. Reference to Standing or Select Committee.

Reference committee. Rule 14, Sec. 1.

Readings. Rule 11, Sec. 8.

Sec. 3. Consideration by Standing or Select Committee, Together With Desired Committee Hearings.

Committee hearings. Rule 6, Secs. 2-5.

Sec. 4. Report by Standing or Select Committee and Reference to General File.

Committee reports. Rule 6, Secs. 6-10.

Effect of committee report to postpone indefinitely. Rule 6, Sec. 9.

Sec. 5. General File: Reading, Consideration and General Debate by the Legislature.

- a. Each section shall be open to amendment as read, and the amendments, if any, recommended by the

standing committee, shall first be considered for adoption or rejection, after which other amendments may be offered.

Amendments. Rule 10, Secs. 16-20.

- b. Bills shall be listed and considered on general file in the order in which they shall be reported from the standing committees, except as modified by the Committee on Order and Arrangement; and no change shall be made in such order, except by a majority vote of the elected members.
- c. The general appropriation bills, necessary for the support of the state government for the biennium, shall take precedence over all other bills on general file.
- d. At any time during consideration of bills on either general or select file, any member may move that the bill be passed over, and if the motion is carried by a majority of those voting, the bill shall be passed over and shall retain its place on the file. This motion shall have the same precedence as to lay on the table.
- e. In the event a motion to indefinitely postpone a bill is made before the bill is read on General File, such motion shall require the affirmative vote of a majority of the elected members.

Sec. 6. Reference to Enrollment and Review. Advancement to Enrollment and Review for recommendations relative to arrangement, phraseology and correlation, unless indefinitely postponed or recommitted to a standing committee. Advancement to Enrollment and Review from General File for such purpose shall require a majority of those voting, but there must be a minimum of fifteen affirmative votes.

Sec. 7. Report by Chairman of Enrollment and Review and Reference to Select File.

Enrollment and Review report. Rule 5, Sec. 6.

Sec. 8. Select File. Consideration by the Legislature, in review on select file, wherein any of the following motions shall be in order:

- a. A motion to approve or reject any or all of the changes recommended by the Chairman of Enrollment and Review.
- b. A motion to adopt a unanimous consent amendment, to which no objection shall be offered.
- c. A motion to recommit to the proper standing committee.
- d. A motion to recommit to general file for one or more specific amendments. If such a motion is adopted, the bill shall be transferred forthwith to the head of the general file where consideration of the specific amendment shall be the first order of business on that file. After disposition of the amendment, the bill may be readvanced to Enrollment and Review for review, amended further, indefinitely postponed, or recommitted to the proper standing committee. If the bill is readvanced, it shall be given prior consideration by the Chairman of Enrollment and Review and returned to the select file as soon as possible and placed at the head of that file; Provided, if the bill is not amended, indefinitely postponed, or recommitted, it may be advanced to Enrollment and Review for engrossment.

Effect of passing over bill. Rule 12, Sec. 5d.

- e. A motion to postpone indefinitely.
- f. Motions made pursuant to subsections c, d and e hereof may be adopted only upon the affirmative vote of a majority of the elected members.

No bill shall be considered initially on select file until three legislative days after its advancement from general file to Enrollment and Review; Provided, that the amendments so recommended shall not be read by the Clerk except upon the request of a member of the Legislature.

Notwithstanding any other provision contained in this section, if the Enrollment and Review Committee returns a bill to select file from engrossment, then only the specific enrollment and review amendments may be considered.

Sec. 9. Advancement to Enrollment and Review for Engrossment, Unless Recommitted to a Standing Committee or Indefinitely Postponed.

Sec. 10. Report by Chairman of Enrollment and Review and Reference to Final Reading File, or to Select File for Specific Amendment.

Bills must be engrossed before advancement to final reading.
Rule 11, Sec. 7.

Sec. 11. Conditions Precedent to Placing Bill on Final Reading. No bill shall be placed upon final reading and passage until:

- a. Five legislative days after the initial reference to Enrollment and Review.
- b. Two legislative days after its reference to final reading file.
- c. Printed copies of the bill in its final form, as amended, shall have been available to members and on their desks for at least one legislative day. Const. Art. III, Sec. 14.

Sec. 12. Final Reading. Consideration on final reading and passage when the bill shall be read at large with all amendments thereto before the vote is taken (Const. Art. III, Sec. 14); Provided, that at any time before the roll call shall have begun on final reading of the bill, it shall be in order to move:

- a. To recommit the bill to Enrollment and Review to correct an error and for re-engrossment.
- b. To recommit the bill to the proper standing committee, with or without instructions.
- c. To recommit the bill to select file for specific amendment, which amendment may be adopted by a vote

of a majority of the elected members; Provided, however, if the proposed amendment be to add the emergency clause, it may only be adopted by a vote of two-thirds of the elected members.

Members must be in their seats during final reading. Rule 4, Sec. 7.

Sec. 13. Question After Final Reading: Emergency Clause. The question after the final reading of a bill shall be: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass?'" If the emergency clause is contained in the bill, the words "with the emergency clause attached" shall be added to the question.

Sec. 14. Emergency Clause: Failure to Receive Constitutional Majority; Effect; Question. When a bill containing the emergency clause does not receive the required two-thirds constitutional majority on final reading, then the emergency clause shall be considered stricken, and the bill without the emergency clause shall be pending on final reading, and the question then shall be, "Shall the bill pass with the emergency clause stricken?" Const. Art. III, Sec. 27.

Sec. 15. Governor's Veto, Consideration. Upon the day of receipt of a message from the Governor announcing his veto of a bill, or on either of the next five legislative days, any member may move that the bill so vetoed be taken up for passage. Whereupon, the question shall be, "Shall the bill pass, notwithstanding the objection of the Governor?"

Three-fifths vote of the elected members required to pass bill over Governor's veto. Const. Art. IV, Sec. 15.

The Governor may disapprove any item or items of appropriation contained in bills passed by the Legislature, and the item or items so disapproved shall be stricken therefrom, unless repassed in the manner prescribed in case of disapproval of bills. Const. Art. IV, Sec. 15.

RULE 13

Petitions and Memorials

Sec. 1. Petitions, Memorials and Other Papers Referred to Committees. Every petition, memorial, or other paper

shall be referred to the proper committee without putting a question for that purpose, unless the reference be objected to by a member at the time such petition, memorial or other paper is presented, in which case the Legislature shall decide the question of reference.

Sec. 2. Introducer May Make Statement. Before any petition or memorial addressed to the Legislature is received and read at the table, whether the same be presented by the presiding officer or a member, a brief statement of the contents of the petition or memorial may be verbally made by the introducer.

Sec. 3. Communications, When Read. No communications or letters shall be read by the Clerk of the Legislature unless such communications or letters are addressed to the presiding officer or Clerk of the Legislature.

RULE 14

Questions and Reference

Sec. 1. Reference Committee for Bills and Resolutions, Who Constitutes. The Lieutenant Governor, the Speaker, and the Chairman of the Committee on Committees shall constitute the Reference Committee for the assignment of bills and resolutions to the various standing committees.

Sec. 2. Nominations by Governor Referred to Committee on Committees. All nominations made to the Legislature by the Governor, requiring confirmation by the Legislature, shall be referred to the Committee on Committees, and the same procedure shall be followed as governs the handling of other matters before standing committees, unless the Legislature shall otherwise direct by unanimous vote.

Sec. 3. Members May Object to Reference. Any member may object to the reference of any bill or other proposition, and correction in case of error in reference may be made by the Legislature on any legislative day, immediately following corrections of the daily journal, by unanimous consent, or by the vote of a majority of the elected members.

Sec. 4. Motions for Reference: Preference. When motions are made for reference of the same subject to a select committee and to a standing committee, the question on reference to the standing committee shall be put first.

Proposed amendments to rules referred to Rules Committee. Rule 17.

Sec. 5. Statement of Purpose by Introducer. Immediately upon the referral of any bill to a standing committee, the first introducer of the bill shall prepare and submit to the committee a statement in writing setting forth the reason for the bill and the purposes sought to be accomplished thereby. Such statement shall be incorporated into the committee records. No bill shall be reported to General File by a committee unless such a statement has been submitted by the introducer of the bill.

RULE 15

Resolutions

Sec. 1. Resolutions: How Designated. A resolution shall be designated as Legislative Resolution —.

Sec. 2. Resolutions Proposing Constitutional Amendments, Granting Money, or Requiring Governor's Approval: Consideration and Adoption. Resolutions which propose amendments to the state constitution, propose the ratification of amendments to the federal constitution, provide for the grant of money out of the contingent or any other fund, or require the approval of the Governor, shall be considered and adopted in the same manner as bills. Const. Art. III, Secs. 13, 14; Art. XVI, Sec. 1.

No resolution shall be introduced bearing the names of more than three members, but the names of additional introducers may be added by consent of the Legislature.

Sec. 3. Resolutions Proposing Legislative Council Studies Reference. Resolutions which propose that studies be made by the Legislative Council shall be first referred to

the Executive Board of the Legislative Council, this Board to submit a report with each resolution recommending that the proposed study be made or rejected.

Sec. 4. Resolutions Laid Over One Legislative Day.

All other resolutions, except by the unanimous consent of the members present and voting, shall lie over for consideration until the next legislative day.

Sec. 5. Resolutions; Reference to Committee; Vote Necessary for Adoption. When called for consideration on the next legislative day after its introduction, any such resolution shall be referred to the proper standing committee, if as many as five members object to its consideration at that time. The vote of a majority of the elected members shall be required for the adoption of any such resolution.

Sec. 6. Effect of Committee Report to Indefinitely Postpone. If the standing committee report on a resolution be to postpone indefinitely, the resolution shall stand indefinitely postponed; *Provided*, that such resolution may be considered by the members of the Legislature or referred back to the standing committee by a majority vote of all the elected members upon motion made within three legislative days after the committee makes its report to the Legislature, or by a two-thirds vote of all elected members upon motion made more than three legislative days after such committee report. Not more than one resolution shall be raised from committee on any one motion. A motion to raise cannot be amended to include any other resolution or subject matter.

RULE 16

Privileges of the Floor

No person shall be admitted to the floor of the Legislature except the following:

Members of the Legislature, officers and employees, including the bill drafter and employees of the Legislative Council

State officers, their deputies and clerks

Judges of the Supreme Court
 Judges of the District Courts
 Senators and Representatives in Congress
 Reporters of regularly accredited newspapers and broad-
 casting stations
 And such other persons as the Legislature may deem
 proper to admit; however, under no circumstances
 shall other persons be permitted to be seated beside
 members while the Legislature is considering bills
 on final reading.

No person, other than those hereinbefore excepted, shall
 be admitted to the members' cloak room or post office, un-
 less accompanied by a member.

Any representative of a newspaper, press association, or
 radio or television station assigned to cover the Legislature,
 who flagrantly or persistently violates the ethics of news re-
 porting by assuming the facts without regard for accuracy
 may be denied the privilege of the Senate Chamber on a
 majority vote of the members elected to the Legislature.
 Such action shall be brought by the Rules Committee and
 no action may be brought until after a full hearing has been
 held on the charges.

No printed or written material of any nature may be
 placed on the desks of the members or distributed to them
 in the Legislative Chamber, unless such material clearly
 indicates on its face the party or parties responsible for
 its distribution. The distribution must be approved by at
 least one member of the Legislature.

RULE 17

Suspension and Amendment of Rules

These rules may be suspended by a two-thirds majority
 vote of the elected members, and may be amended by a
 three-fifths majority vote of the members elected; Provided,
 any proposed amendment must first be referred to the Com-
 mittee on Rules for consideration and report.

LEGISLATIVE JOURNAL

SEVENTY-FOURTH (EXTRAORDINARY) SESSION

FIRST DAY

Legislative Chamber, Lincoln, Nebraska
Monday, October 21, 1963

Pursuant to a proclamation by His Excellency, Frank B. Morrison, Governor of the State of Nebraska, the Seventy-fourth (Extraordinary) Session of the Legislature of Nebraska assembled in Legislative Hall of the Capitol Building at the hour of 9:00 a.m., October 21, 1963, and was called to order by President Dwight W. Burney.

Prayer was offered by the Reverend Darrel E. Berg, Trinity Methodist Church, Lincoln, Nebraska.

The roll was called and the following members were present:

Adamson, Elvin	Foster, Clifton N.	Orme, Fern Hubbard
Bahensky, LeRoy	Gerdes, George C.	Payne, Dale L.
Bowen, Kenneth L.	Gerhart, H. L.	Rasmussen, Eric
Brandt, William B.	Gottschalk, F. O.	Rasmussen, Ross H.
Bridenbaugh, Hal	Hasebroock, W. H.	Reeves, T. C.
Burbach, J. W.	Kjar, Albert A.	Ruhnke, Arnold
Carpenter, Terry	Klaver, Sam	Russillo, Michael
Claussen, Peter H.	Kremer, M. A.	Stalder, Lloyd W.
Craft, Cecil	Lysinger, Richard	Stromer, Marvin E.
Damrow, Tom	Mahoney, Eugene T.	Stryker, Harold B.
Danner, Edward R.	Marvel, Richard D.	Syas, George
Erlewine, Dale	McGinley, Don	Thompson, Don
Fleming, George H.	Moulton, William	Warner, Jerome
Forrester, M. M.	Nelson, Frank	Wylie, Matt

Member Excused

Mr. Skarda was excused.

DECLARATION

Members of the Legislature:

Pursuant to a proclamation issued by the Honorable Frank B. Morrison, Governor of Nebraska, we are here and now assembled in the 74th session of the Nebraska Legislature. I, as President, declare that we are now open for the transaction of business.

(Signed) Dwight W. Burney

PROCLAMATION

By virtue of the authority vested in the Governor by Section 8, Article IV, of the Constitution of Nebraska, I, Frank B. Morrison, as Governor of the State of Nebraska, believing that an extraordinary occasion has arisen, do hereby call the Legislature of Nebraska to convene in extraordinary session at the State Capitol on October 21, 1963, at 9 o'clock a.m., for the purpose of considering and, if deeming it advisable, enacting legislation relating to the following subjects:

1. For the purpose of considering the appropriation or reappropriation of funds for the following purposes:

- (a) Administration of the program of medical assistance for aged persons.
- (b) Administration of a program of motor vehicle driver education in the State of Nebraska.
- (c) Administration of the Nebraska Installment Sales Act.
- (d) Administration of the State Employee Retirement Act.
- (e) Administration of proration and reciprocity responsibility of the Motor Vehicle Department.
- (f) Providing for refund of monies deposited with the state.
- (g) Payment for murals and expenses incidental thereto for the State Capitol Building.
- (h) For carrying out certain services for visually impaired persons.
- (i) Establishing a fund to handle the receipt and expenditures of certain unappropriated funds to assist visually impaired persons.
- (j) Completion of payment of programs of vegetable research conducted by The University of Nebraska.

- (k) For promotion of industrialization of products developed from funds from the Agriculture Products Research Fund.

2. Consideration of a Constitutional Amendment authorizing the Legislature, on request, to obtain advisory opinions of the Supreme Court on important questions of constitutional law raised by acts passed by the Legislature.

3. Consideration of remedial legislation with regard to the penalties invoked as a result of the invalidation of the Nebraska Installment Sales Act (LB 652, 1959).

4. The revision of the Nebraska general usury statutes.

5. In addition to the foregoing matters (3 and 4), to take any action needed in relation to 3 and 4, which may arise as a result of decisions in any matters now pending before the Supreme Court of the State of Nebraska.

6. To amend subdivision (21) of section 53-103, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, by including those nonprofit corporations which have been exempted from the payment of federal income taxes, as provided by section 501 (c) (4), Internal Revenue Code of 1954, within the definition of a nonprofit corporation, thus redefining nonprofit corporations eligible for licensing for the sale of alcoholic liquors for consumption on the premises to include the above described corporations.

7. Consideration of granting authority to watershed conservancy districts and watershed districts to acquire by eminent domain land, easements or right-of-way under certain conditions.

8. To authorize the assigning of an option to certain real property by the Game, Forestation and Parks Commission to The University of Nebraska.

9. To confirm the appointment of heads of civil departments and other officers requiring confirmation by the Legislature under the Constitution and Laws of Nebraska, where vacancies in office have occurred since the adjournment of the Seventy-third Legislative Session.

10. To appropriate funds for the necessary expense of the extraordinary session herein called.

I direct that members of the Legislature of the State of Nebraska be notified of the convening of this extraordinary session by mailing to each of them a copy of this proclamation.

IN WITNESS WHEREOF, I have herewith set my hand and caused the Great Seal of the State of Nebraska to be affixed this fourteenth day of October, 1963.

(Signed) Frank B. Morrison
Governor

SEAL

Attest:

(Signed) Frank Marsh
Secretary of State

MOTION—Print in Journal

Mr. President: I move that a copy of said proclamation be recorded in the Journal.

(Signed) Marvin E. Stromer

The motion prevailed.

MOTION—Officers

Mr. President: I move that the officers elected for the 73rd session, and the committees appointed, be retained for this, the 74th session.

(Signed) Richard Lysinger

The motion prevailed.

MOTION—Rules

Mr. President: I move that the rules of the 73rd session be used in this, the 74th session.

(Signed) Don Thompson

The motion prevailed.

MOTION—Notify Governor

Mr. President: I move that a committee of five be appointed to report to the Governor that the Legislature is assembled and open for business, and ascertain whether or not he wishes to bring greetings. If so, to escort him to the Legislative Chamber and to the platform for that purpose.

(Signed) Albert A. Kjar

The motion prevailed and the President appointed the following members to serve on said committee: Kjar, Adamson, Bahensky, Danner, Ruhnke.

Ease

The Legislature was at ease from 9:12 until 9:15 a.m.

Escort Governor

The committee escorted Governor Frank B. Morrison to the rostrum where he delivered the following:

MESSAGE TO THE LEGISLATURE

Mr. President, Mr. Speaker, and Senators of the
Extraordinary Session of the Nebraska Legislature:

As we open this extraordinary session of the Nebraska State Legislature, I think that we should pause for a moment before taking up the particular subjects of the Call to put into proper perspective our responsibilities and obligations. I would also like to take public notice of the sincerity of the members of this legislative body who, in the past and at this moment, have diligently addressed themselves to the work involved in their serving the best interests of the State of Nebraska.

I have often pointed out that a great burden of work is placed on 43 members of the Nebraska Legislature, while your counterparts divide this work among several times this many people. It is remarkable, I believe, the record of efficiency and accuracy which has been compiled by the members of our Unicameral Legislature.

At the time this body was ajourning from a long and productive session, I stated that the situation which was created by the decision of the State Supreme Court regarding the so-called Time-Sales Act of 1959 was chaotic and complex. I said that the matter should not be approached under the pressure of time and the demand for adjournment. I said that if a committee of Senators studying this situation after adjournment concluded that a special session was needed, I would honor that opinion and call this body back into special session.

It would serve no good purpose to discuss further item by item the subjects of the Call as to why they were included. It was my responsibility to decide which of the items should be included. I set up certain guidelines by which those things brought to my attention as possible subjects could be judged.

My only concern was for the orderly carrying out of the business of the government of the State of Nebraska—outlined in Article IV. Section 6 of the Constitution which says, "The Supreme executive power shall be vested in the Governor, who shall take care that

the laws be faithfully executed and the affairs of the state efficiently and economically administered."

It is now purely the responsibility of the Legislature to act upon the items of the Call.

As regards particular items, I would like to address myself to some of them.

I think the items listed under the Appropriation and Reappropriation section are quite clearly outlined. I think it would be a real disservice for any Legislator to attempt to use this opportunity to destroy the intent and purpose of statutes which were passed, and, but for the sake of unintentional imperfection, would face no obstacle to implementation. I have full confidence in the responsibility and integrity of this body.

Each of you has, in my opinion, the moral obligation, despite personal feelings to the contrary, to consider that these programs which you have enacted into law are the laws of the state and it is your duty to perfect them. All unintentional omissions from the Budget or other state laws should be promptly corrected. Those which I have included in this Call are largely obvious and while they may not, in your judgment, be of sufficient importance in and of themselves to warrant a special Call of the Legislature, certainly they should be corrected at this special session called primarily for the purpose of considering usury problems arising out of the invalidation of certain acts of the Legislature as unconstitutional by action of the Supreme Court of the State of Nebraska.

With reference to Legislative Bill 21 of your last session—many of us personally disagree with this law but in view of the fact that it was passed by this body and it is the law of this state, we should not condone meaningless discrimination in the bill as now written. The omission of veterans' organizations as those eligible for consideration as non-profit organizations is an obvious oversight and results in discrimination and, in my opinion, we have an obligation to correct what was, obviously, an oversight at the time the bill was enacted into law.

I have included within this Call three items precisely as they were suggested by your interim committee in studying the Time-Sales situation.

The committee departed from the direct subject of Time-Sales in its first recommendation, suggesting consideration of a constitutional amendment permitting advisory decisions of the Supreme Court. Because I feel strongly about this subject, I am compelled to speak against that recommendation.

Nebraska and the other states of this union, as well as the United States government, have been the most successful democratic governments in the history of mankind. No small part of this success has been attributed to the historic division of power between the legislative, the executive and the judicial branches of government. If the Constitution of this state were amended to permit the Supreme Court to render advisory opinions to the Legislature without a justiciable controversy and before the proposed legislation were enacted, it would constitute dragging the Supreme Court of this state into the political arena and into the legislative chambers against its will and clothing it with political and legislative responsibilities which, historically, have been reserved to the Legislature. This would be a very dangerous precedent and could constitute the beginning of an erosive process which would destroy our historic separation of power. Under our form of government, provision has been made for securing opinions from the Attorney General, which system has functioned well. The Court, if called upon to render advisory opinions would be forced to do its own research without the benefit of briefs and argument by opposing parties as in an adversary proceeding, and it is doubtful, under these circumstances, if an advisory opinion by the Court would provide a satisfactory system for determining constitutional questions.

The recent decision of the Supreme Court with reference to L.B. 811 also indicates that if the parties are diligent and attorneys attentive to their task, the constitutional questions can be decided expeditiously within the framework of our present system of government. I am sympathetic with the object which your interim committee had in mind in determining constitutional questions in advance of legislative enactment, but the medicine which they prescribe to cure this ill would be far more dangerous to the body politic than the problem itself. There can be no question about the ability of this Legislature to write interest rate and usury statutes which will be upheld by the courts.

The primary purpose for this Call of the Legislature was to consider problems growing out of interest rates statutes invalidated by the Supreme Court of this state.

There was a time in the history of our world when any interest charge for the privilege of using money was prohibited by law. In modern times, however, there is agreement that the charging of interest is acceptable if the charge is reasonable and if the legislation in general is not discriminatory.

Interest rates on money, however, like most other commodities, are largely controlled by the law of supply and demand. When one goes into the store to shop, the price of the commodity is usually marked thereon. The buyer can thus shop from store to store and

this is regarded as a part of sound American practice within the free enterprise system. In the case of moneylending, there have grown up several methods of computing interest. One is known as simple annual interest. There is interest compounded; then there is interest figured on a monthly basis and there is also a system known as "add on" interest and there is a system of installment loans which usually employs this "add on" feature. I am convinced that it would be in the public interest for this Legislature to enact a provision that all contracts for the borrowing of money have stamped thereon or included within its phraseology a statement as to the rate of interest figured on a simple annual basis so that the borrower could know immediately the extent to which he is obligating himself and the method of computation. This would go a long ways towards solving this confusing problem of usury.

In recent years, there has recently grown up a system of merchandising known as Time Sales, based on a theoretical time price differential, attempting to distinguish this type of forbearance from an interest charge and hence not subject to the usury laws. It is my understanding from the language of our Supreme Court that this type of transaction falls within the category of lending money and is subjected to the usury laws. In order to standardize the practice of merchants in making interest charges on deferred accounts, the 1959 Session of the Legislature enacted Legislative Bill 652 but, prior to its enactment, the Attorney General of this state had issued a written opinion stating that, in his opinion, this law violated the Constitution of the State of Nebraska and was unenforceable. Notwithstanding this fact, the law was enacted and the issue was not decided by the Supreme Court until 1963. In the meantime, millions of dollars worth of commercial paper and thousands of businesses all over the state relied upon this Act as the law of the State of Nebraska and entered into business transactions in reliance thereon. To hold these people liable to the same penalty as those who violate the existing installment loan laws of this state by a forfeiture of product, principal and interest is, in my opinion, far too severe a penalty to be exacted of people who were acting in good faith in reliance upon the judgment of your honorable body in the enactment of Legislative Bill 652.

I therefore recommend that your body, at this session, enact a law, carefully drawn, to provide a different penalty for those people who relied upon the validity of this Act from the time of its enactment until the date of invalidation by the Supreme Court of this state than forfeiture of product, principal and interest.

The question then arises whether government should limit rates of interest, because, so far as common law is concerned, there is no requirement that legislatures fix rates of interest, and if we had

no laws regulating interest, individuals and companies could charge any rate of interest which they might be able to agree upon. Experience has shown that it is advisable to enact certain legislative restrictions. It has been established that legislatures do have the constitutional power to regulate those rates through the power of the Legislature to enact laws for the protection of the welfare of the people.

Nearly every enlightened civilization with any considerable financial or commercial structure has had laws against usury. Usury is defined as the receiving, securing or taking of a greater sum or value for the loan or forbearance of money, goods or things in action than is allowed by law.

The law, then, is the instrument by which legislative bodies have said that to charge interest beyond a certain point under conditions described by statute makes an interest rate illegal.

Why should Nebraska have a usury statute?

What purpose should it perform?

Are there prime responsibilities in considering who should be considered in the enactment of statutes dealing with interest rates?

The purpose and reasons for such legislation are stated in a well-known legal text, "American Jurisprudence," which says:

"Recognizing the need of protecting those whose needs or adversities compel them to borrow money from others or to obtain forbearance or extension of time for the payment of debts owing, the legislatures of many states have enacted laws, designed for the protection of borrowers against the oppressive actions of moneylenders which often they are powerless to resist, limiting the rate of interest the lender of money may charge for its use."

We must, I firmly believe, be perfectly candid about this subject. While we can all agree that the extension of credit and the lending of money is a tremendously important part of a vibrant commerce and economy, we must always come back to the point that, legislatively, our first and dominant responsibility in passing laws regarding rates of interest is to the public.

Equally, I would not be perfectly candid if I did not point out that the special interest rate statutes in Nebraska are a potpourri of confusing and complex conditions.

To carry the point one step further, I am convinced that the average—or above average—citizen of Nebraska is incapable of understanding all of these complexities, nor is he capable of knowing

the full extent and circumstances of the conditions of the cost of borrowing money under any number of cases which are common to our consuming public.

Beyond that, the legislative responsibility is, in some cases, to protect a person from paying a rate of interest to which he is perfectly willing to obligate himself, despite the fact the rate is excessive.

One other point. While it has been said that the higher special interest rates are necessary in some circumstances to cover the risk involved, there is no obligation upon state government to guarantee every person the opportunity to borrow money.

Today, there are some eight different interest rates authorized for different types of industry. There is a decided question in view of recent rulings of the Supreme Court as to the validity of some of these acts. Any legislation which can be construed to be class legislation or lack uniformity in application or in any way be discriminatory will ultimately be invalidated by our courts. In view of this situation, I believe that it is our duty to rewrite the interest laws of this state and to simplify them. It would seem to me that, basically, there are only two general types of loans; the general commercial loan payable on demand or at a time certain. Another type of loan, which is payable in installments and quite frequently is for small amounts. In view of the extra book work involved and the usual increase in risk inherent in this type of paper a somewhat higher interest rate might be permitted, but there should be no restrictions with reference to classes or industries involved in the transaction.

The Supreme Court of this state in *Elder vs. Doerr*, again reiterated in *Stanton vs. Matson*, has said and I quote:

"The provision prohibits the legislature from passing any act which does not operate equally and uniformly upon all persons in a class, or which grants to any person exclusive privileges or immunity. The Legislature may make a reasonable classification in person or property for purpose of legislation concerning them, but the classification must rest upon real differences in situation and circumstances surrounding the members of the class that has some real relation to the subject and purpose of the legislation which render appropriate its enactment."

I am confident that this Legislature can rewrite the usury statutes of this state in such a way as to protect the public interest and, at the same time, make this state a sound and solid place in which investors may loan money to promote the economy and well-

being of our people with certainty and without fear of having the investment lost and their financial security jeopardized.

In view of the fact that, since the issuance of the Call, the Supreme Court of this state has invalidated LB 811, passed at your last regular session, there is no need for any appropriation or authorization for the administration of the Nebraska Installment Sales Act and I shall, therefore, ask you to disregard sub-section C of paragraph No. 1 of the Proclamation implementing this Call for the Extraordinary Session of the Seventy-Fourth Session of the Nebraska Legislature.

The Opinion of the Supreme Court of Nebraska in Elder vs. Doerr is now a part of the law of this state and should form a guideline for future legislative enactment. I would therefore recommend that you not undertake to write any form of Time Sales legislation as such, but that we consider Time Sales as coming within the scope of the laws regulating the lending of money and forbearance.

Frank B. Morrison, Governor
October 21, 1963

The committee escorted the Governor from the Chamber.

Announcement

Mr. Srb announced that copies of the Supreme Court ruling on LB 811 are on the members' desks.

Speaker Moulton Presiding

MOTION—Time Sales Report

Mr. President: I move that Sen. Russillo, Chairman of Special Committee on time sales, report to the 74th session the action and recommendations of the time sales committee.

(Signed) Harold Stryker

The motion prevailed. Mr. Russillo presented the report and answered questions.

President Burney Presiding

BILLS ON FIRST READING

LEGISLATIVE BILL 1. By Terry Carpenter of Legislative District 42.

A BILL FOR AN ACT to amend section 72-222, Reissue Revised Statutes of Nebraska, 1943, relating to school lands; to provide that watershed conservancy districts and watershed districts may acquire educational lands by eminent domain, and in addition may acquire an easement or right-of-way for the purpose of constructing, replacing, operating, and maintaining structures over such lands; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 2. By Terry Carpenter of Legislative District 42.

A BILL FOR AN ACT for submission to the electors of an amendment to Article V, of the Constitution of Nebraska, relating to the judicial; to provide that the Legislature shall have authority to require the opinion of the Supreme Court upon important questions of constitutional law when requested by the Legislature as prescribed; to provide for the submission of the proposed amendment to the electors at the general election in November, 1964; to provide for the manner of submission and form of ballot; and to provide the effective date thereof.

Visitors

Mrs. Orme introduced 30 fourth grade students from Capitol School and their Principal, Mrs. Malone and teacher, Mrs. Bingham.

MOTION—Recess

Mr. Marvel moved to recess and allow the Budget Committee to meet.

The motion prevailed.

Ease

The Legislature was at ease from 10:38 until 10:50.

MOTION—Suspend Rules

Mr. President: I move the rules be suspended and that new bills can only be introduced by individual Senators during the first 5 legislative days of the 74th Extraordinary Session only.

(Signed) Terry Carpenter

Mr. Syas moved to amend the Carpenter motion to 2 days instead of 5.

The Syas motion lost by 13 ayes, 25 nays and 5 not voting.

The Carpenter motion prevailed by 29 ayes, 11 nays and 3 not voting.

MOTION—Suspend Rules

Mr. President: I move that the rules be suspended and that 22 votes be required for the introduction of new bills.

(Signed) LeRoy Bahensky

The motion lost by 3 ayes, 35 nays and 5 not voting.

BILLS ON FIRST READING

LEGISLATIVE BILL 3. By Fern Hubbard Orme of Legislative District 20.

A BILL FOR AN ACT relating to Game, Forestation and Parks Commission; to provide for assignment of an option to purchase real estate as described to The Board of Regents of The University of Nebraska; to provide for the execution and delivery of such assignment; and to declare an emergency.

LEGISLATIVE BILL 4. By Fern Hubbard Orme of Legislative District 20.

A BILL FOR AN ACT to make appropriation for the payment of a claim against the State of Nebraska for which no appropriation has been made; to provide the manner in which such money so appropriated shall be paid and expended; and to declare an emergency.

LEGISLATIVE BILL 5. By Budget Committee, Richard Marvel, Legislative District 31, Chairman.

A BILL FOR AN ACT to provide for the compensation of employees, mileage of members, and for supplies and other incidental expenses incurred during the Seventy-fourth (Extraordinary) Session of the Legislature of the State of Nebraska; to appropriate the sum of twenty-five thousand dollars therefor; and to declare an emergency.

LEGISLATIVE BILL 6. By Budget Committee, Richard Marvel, Legislative District 31, Chairman.

A BILL FOR AN ACT to provide for the payment of compensation of bill drafters, legal researchers, correlation clerk, stenographers, and proofreaders, the payments as provided by Chapter 68, article 6, Reissue Revised Statutes of Nebraska, 1943, and for the payments to be made for supplies and other incidental expenses incurred by

the bill drafting and related services of the Nebraska Legislative Council during the Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, commencing October 21, 1963; to appropriate the sum of two thousand dollars therefor; and to declare an emergency.

LEGISLATIVE BILL 7. By Budget Committee, Richard Marvel, Legislative District 31, Chairman.

A BILL FOR AN ACT to amend sections 1, 13, 18, 19, 24, 25, 26, and 59, Legislative Bill 455, Seventy-third Session, Nebraska State Legislature, 1963, relating to appropriations for the state government of the State of Nebraska for the biennium beginning July 1, 1963, and ending June 30, 1965; to make appropriations for the state government of the State of Nebraska as prescribed; to repeal the original sections; and to declare an emergency.

Visitors

Mr. Reeves introduced 27 eighth grade and Senior students from Cairo, Nebraska, and their Teachers Mrs. Schlund and Mr. Walker, Supt. Stanley Grandstaff and Sponsors Mrs. Schunyder and Mrs. Leth.

MOTION—Suspend Rules

Mr. President: I move the rules be suspended and bills introduced today be referred to committee today.

(Signed) George Syas

The motion prevailed with 34 ayes, 2 nays and 7 not voting.

Ease

The President ordered the Legislature at ease so the Reference Committee could meet. The Legislature was at ease from 11:31 to 11:45.

REFERENCE COMMITTEE REPORT

LB Committee

- 1.....Education
- 2.....Judiciary
- 3.....Agriculture
- 4.....Budget
- 5.....Budget
- 6.....Budget
- 7.....Budget

MOTION—Suspend Rules

Mr. Marvel moved to suspend the rules and place LB 5 and LB 6 on General File.

The motion prevailed with 39 ayes, 0 nays and 4 not voting.

Announcement—Long Distance Calls

Mr. Srb announced the manner in which Mr. R. C. Newell, Superintendent of Buildings and Grounds, wishes long distance calls to be made. He asked that members give their name and charge the calls to Gr 7-5211, Ext. 448.

NOTICE OF COMMITTEE HEARINGS**Budget**

LB 4	Monday, October 28, 1963	2:00 p.m.
LB 7	Monday, October 28, 1963	2:00 p.m.

Adjournment

Mr. Carpenter moved to adjourn until 11:00 a.m., Tuesday, October 22.

The motion lost with 14 ayes, 23 nays and 6 not voting.

Mr. Carpenter moved to adjourn until 8:00 a.m., Tuesday, October 22.

The motion lost.

Mr. Adamson moved to adjourn. The motion prevailed and at 11:55 a.m., the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

SECOND DAY

Legislative Chamber, Lincoln, Nebraska

Tuesday, October 22, 1963

Pursuant to adjournment, the Legislature was called to order at 9:00 a.m., by Mr. Dwight W. Burney, Lieutenant Governor.

Prayer was offered by Mr. Reeves.

The roll was called and all members were present except Mr. Syas who was excused.

Corrections for the Journal

Page 9, line 6, strike "he" and insert "the".

Page 10, line 29, strike "Dorr" and insert "Doerr".

The Journal for the First Day was approved as corrected.

NOTICE OF COMMITTEE HEARINGS**Agriculture**

LB 3 Tuesday, October 29, 1963 2:00 p.m.

Judiciary

LB 2 Monday, October 28, 1963 2:00 p.m.

UNANIMOUS CONSENT—Change Hearing Rooms

Mr. Marvel asked unanimous consent to have the Budget Committee meet in the West Senate Lounge instead of the Governor's Hearing Room, Monday, October 28, 1963. No objections. So ordered.

MOTION—Setting a Bill

Mr. President: I move that the usury bill, if and when it is set by the Banking, Commerce and Insurance Committee, be set when there are no other hearings.

(Signed) Elvin Adamson

The motion prevailed with 36 ayes, 1 nay and 6 not voting.

UNANIMOUS CONSENT—Hold Meeting

Mr. Kjar asked unanimous consent for a meeting in the West Senate Lounge of the Banking, Commerce and Insurance Committee, together with others, after recess. No objections. So ordered.

BILLS ON FIRST READING

LEGISLATIVE BILL 8. By Ross H. Rasmussen, Legislative District 11, and LeRoy Bahensky, Legislative District 29.

A BILL FOR AN ACT to amend section 53-103, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, relating to liquors; to redefine nonprofit corporation; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 9. By Kenneth L. Bowen, Legislative District 32, Michael P. Russillo, Legislative District 9, and F. O. Gottschalk, Legislative District 26.

A BILL FOR AN ACT for submission to the electors of an amendment to Article III, section 18, of the Constitution of Nebraska, relating to legislative powers; to authorize the Legislature to pass special laws relating to interest on installment loans and installment sale contracts when the maximum interest does not exceed twenty-four per cent per annum; to provide for the submission of the proposed amendment to the electors at the general election in November, 1964; to provide for the manner of submission and form of ballot; and to provide the effective date thereof.

Announcement

Mr. Srb announced that the Session Laws of the last session and copies of the Cumulative Pocket Part Supplement for the Statutes are on the members' desks.

Dormitory Bonds

Mr. Stryker asked if the body would like to have someone from the University of Nebraska explain the issuance of Dormitory Bonds.

Mr. Craft moved that the Executive Board of the Legislative Council give an explanation of the proposed construction of new dormitories.

The motion prevailed.

Recess

At 9:35 a.m., on a motion by Mr. Carpenter, the Legislature recessed until 3:00 p.m.

After Recess

The Legislature reconvened at 3:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. Kremer, E. Rasmussen and Syas.

MESSAGE FROM THE GOVERNOR

STATE OF NEBRASKA
Executive Office
LINCOLN

October 22, 1963

The President, the Speaker,
and Members of the Legislature
Lincoln, Nebraska

Members of the Seventy-fourth (Extraordinary) Session:

The following executive appointments are submitted for your consideration:

Highway Advisory Commission:

Robert O'Keefe, Omaha, to fill vacancy for term expiring September 14, 1965

Merle Kingsbury, Ponca, for term expiring September 14, 1969

C. E. Metzger, Louisville, for term expiring September 14, 1969

Nebraska Educational Television Commission:

Joseph Maresh, Dodge, for term expiring August 19, 1965

Mrs. Maurice Frank, 1616 So. 58th, Omaha, for term expiring August 19, 1965

Dr. Steven N. Watkins, Lincoln, for term expiring August 19, 1967

Robert Minnick, Alliance, for term expiring August 19, 1967

Dr. Theron B. Maxson, Hastings, for term expiring August 19, 1969

J. Arthur Danielson, Lincoln, for term expiring August 19, 1969

Board of Educational Lands and Funds:

J. J. DeLay, Norfolk, for term expiring October 1, 1968

State Employees Retirement Board:

Lowell Fisk, Department of Roads, Lincoln, for term ending January 1, 1965

Merle Humphries, Office of Auditor of Public Accounts, Lincoln, for term ending January 1, 1966

Jack M. Cleavenger, Department of Institutions, Lincoln, for term ending January 1, 1967

Hodge Jones, Guarantee Mutual Life Insurance Co., Omaha, for term ending January 1, 1966

Dean Irish, Albion, for term ending January 1, 1965.

Respectfully,

(Signed) Frank B. Morrison
Governor

FBM:f

Announcement

Mr. Gerdes announced that the Committee on Committees would meet tomorrow morning.

BILLS ON FIRST READING

LEGISLATIVE BILL 10. By Cecil Craft, Legislative District 38, Eugene T. Mahoney, Legislative District 8, and William R. Skarda, Jr., Legislative District 7.

A BILL FOR AN ACT to amend section 60-407, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 478, Seventy-third Session, Nebraska State Legislature, 1963, and section 60-409, Revised Statutes Supplement, 1961, as amended by section 2, Legislative Bill 478, Seventy-third Session, Nebraska State Legislature, 1963, relating to motor vehicles; to eliminate the provisions for a program of driver education in the public schools and the financing and administration thereof; to repeal the original sections, and also sections 3, 4, 5, 6, and 7, Legislative Bill 478, Seventy-third Session, Nebraska State Legislature, 1963; and to declare an emergency.

LEGISLATIVE BILL 11. By Arnold Ruhnke, Legislative District 22, and Terry Carpenter, Legislative District 42.

A BILL FOR AN ACT to amend section 45-138, Reissue Revised Statutes of Nebraska, 1943, section 45-114, Revised Statutes Supplement, 1961, sections 45-101 and 45-102, Revised Statutes Supplement, 1961, as amended by sections 1 and 2 of Legislative Bill 546, Sev-

enty-third Session, Nebraska State Legislature, 1963, and section 45-137, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963, relating to interest; to increase the maximum interest rate; to eliminate certain loans as an exception to the maximum interest rate as prescribed; to change the rates that may be charged for installment loans; to reduce the amount that may be loaned as an installment loan; to change provisions of prepayment, charges and statements required in installment loans; to change penalties; to repeal the original sections, and also sections 8-418 to 8-432, and 8-801 to 8-814, Reissue Revised Statutes of Nebraska, 1943, Chapter 45, articles 2 and 3, Reissue Revised Statutes of Nebraska, 1943, and sections 1 to 20, Legislative Bill 811, Seventy-third Session, Nebraska State Legislature, 1963; and to declare an emergency.

LEGISLATIVE BILL 12. By Fern Hubbard Orme, Legislative District 20, and Don McGinley, Legislative District 39.

A BILL FOR AN ACT to increase the revolving fund at the disposal of the Department of Public Institutions for aid to the blind; to appropriate the sum of twenty thousand dollars additional for such revolving fund from the General Fund; and to declare an emergency.

Point of Personal Privilege—Remarks

Mr. Craft read the following remarks and asked that they be printed in the Journal.

The motion prevailed with 18 ayes, 0 nays and 25 not voting.

STATE SCHOOL LANDS LEASING METHOD NEEDS INVESTIGATING

It looks to me that we ought to have an investigation of the method the state now uses to lease school lands. I think the method as it is now is a clear cut case of discrimination against farmers—the very guy who puts up the big money when it comes to producing income and tax revenues for this state. It looks to me like the state government is biting the hand that feeds it and that neither the legislature, the Governor nor the Board of Education seems the least bit concerned.

The Governor, the Board and the legislature should know that State Government is taking blood money from the farmers the way these leases are being handled. For instance, why should the state of Nebraska, when they have already arrived at a fair rent value

sell a lease to one man for \$1.00 and then have a system that forces the next man to pay thousands of dollars for a lease on the same type of land.

Just look over the list of prices that farmers pay for the privilege of leasing school lands. You'll see how inequitable it is.

In most cases the man who holds the lease is at a distinct disadvantage against the outsider wanting his lease. The man living on the farm has to bid up to maintain his business. The outsider has an advantage because he gains land he wins at the auction. This is discrimination in its meanest form and by all that is right, good and decent this should be corrected. This system is also inequitable because it takes hundreds of thousands of dollars out of counties that school land is in. This is money that could be spent for better use within those counties. This is a form of vicious money grabbing which should not be tolerated by the counties in the western end of the state where all the school lands are.

We say that we want to keep our farmers on our farms and that we would like to see our rural areas develop. Still the State of Nebraska is operating a system of leasing lands that is discriminatory and vicious and works against a minority group of farmers who have no way to protect themselves.

These lands were given the state by the federal government. It seems to me that the least that the State of Nebraska could do would be to work out a reasonable and honest way to lease it to the farmers of Nebraska. If they can't solve this little problem then it's time these lands were sold.

Member Excused

Mr. Foster asked to be excused tomorrow.

MOTION—Suspend Rules

Mr. Moulton moved to recess to allow the Reference Committee to refer bills.

The motion prevailed with 31 ayes, 0 nays and 12 not voting.

Ease

The Legislature was at ease from 3:20 until 3:32 p.m.

REFERENCE COMMITTEE REPORT

LB	Committee
8.....	Judiciary
9.....	Judiciary
10.....	Education
11.....	Banking, Commerce and Insurance
12.....	Budget

MOTION—Adjournment

Mr. Bahensky moved to adjourn until 10:00 a.m. tomorrow.

Notice of Committee Meeting

Mr. Marvel announced that there would be a meeting of the Budget Committee after adjournment today.

Mr. Brandt moved that the Bahensky motion be amended until 9:00 a.m.

The Bahensky motion prevailed as amended, and at 3:36 p.m., the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

THIRD DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, October 23, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by Reverend Carroll H. Lemon, Secretary, Council of Churches, Lincoln, Nebraska.

The roll was called and all members were present except Messrs. Carpenter, Danner, Foster, Ruhnke, Stromer and Syas who were excused.

The Journal for the Second Day was approved.

Member Excused

Mr. Nelson was excused for Thursday, October 24, 1963 and for Friday, October 25, 1963.

Communications

Letter from Chester C. Marquardt, Scribner, Nebraska in regard to increased government spending.

Announcement

Mr. Moulton reminded members that the rules state that members must submit a statement of intent for the bills they introduce.

Visitors

Mrs. Orme introduced Soebagio Reksodipoero and S. K. Atmodiningrat from Indonesia.

UNANIMOUS CONSENT—Committee Meeting

Mr. Gerdes asked unanimous consent to hold a meeting of the Committee on Committees in the West Senate Lounge immediately after adjournment. No objections. So ordered.

SUSPEND RULES—Change of Hearing Time

Mr. McGinley moved that the rules be suspended and the Judiciary Committee be allowed to hold a hearing on LB 8 and LB 9 on Tuesday, October 29, 1963, at 9:00 a.m. The motion prevailed with 33 ayes, 0 nays and 10 not voting.

NOTICE OF COMMITTEE HEARINGS**Judiciary**

LB 8	Tuesday, October 29, 1963	9:00 a.m.
LB 9	Tuesday, October 29, 1963	9:00 a.m.

Education

LB 1	Tuesday, October 29, 1963	2:00 p.m.
LB 10	Tuesday, October 29, 1963	2:00 p.m.

UNANIMOUS CONSENT—LB 5, LB 6, LB 7—Designate Request

Mr. Marvel requested unanimous consent to have LB 5, LB 6 and LB 7 include "upon recommendation of the Governor." No objections. So ordered.

GENERAL FILE**LEGISLATIVE BILL 5.** Read and considered.

Advanced to E and R for review with 35 ayes, 0 nays and 8 not voting.

LEGISLATIVE BILL 6. Read and considered.

Mr. Stryker offered the following amendment which was adopted:

1. Amend Section 1, line 1, by striking "two thousand" and inserting "thirty-five hundred".
2. Amend the Title to conform.

Advanced to E and R for review with 35 ayes, 0 nays and 8 not voting.

The Chair ruled that "upon recommendation of the Governor" must be added to LB 7 in Committee.

Visitors

Mr. Gerdes introduced Mrs. Irene Martiney, Chief Nutritionist, Ministry of Education, Ecuador, S.A., Mrs. Hedges, Escort Interpre-

ter, Washington, D.C., Miss Anna Smrha, Nutritionist, Health Department, State of Nebraska.

Members Excused

Messrs. Warner, R. Rasmussen, Reeves, Payne and E. Rasmussen were excused for the rest of the day. Mr. Stalder was excused for Thursday, October 24, 1963.

Recess

Mr. Burbach moved to recess until 3:00 p.m.

Mr. E. Rasmussen moved to amend the Burbach motion to read 2:00 p.m.

The Burbach motion prevailed as amended, and at 9:42 a.m., the Legislature recessed until 2:00 p.m.

After Recess

The Legislature reconvened at 2:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. Ross Rasmussen, Payne, Syas, Danner, Foster, Warner, Bowen, and Damrow, who were excused.

BILLS ON FIRST READING

LEGISLATIVE BILL 13. By T. C. Reeves, Legislative District 30.

A BILL FOR AN ACT relating to and regulating the installment selling of goods, including motor vehicles; to define terms; to prescribe and regulate the form and content of contracts covering the installment sale of goods; to limit the rate of interest that may be charged on installment sale of goods contracts; to regulate delinquency charges; to require a partial refund of such interest on prepayment; to provide penalties for violations; to require the licensing of persons selling any goods as specified in this act and of sales finance companies; to vest the administration and enforcement of this act in the Department of Banking; to prescribe the powers, duties, authority and jurisdiction of such department with respect to this act; to authorize the adoption and promulgation of rules and regulations; to provide how this act may be cited; to provide a validity clause; to repeal sections 1 to 21, Legislative Bill 811, Seventy-third Session, Nebraska State Legislature, 1963; and to declare an emergency.

Report

Mr. Stryker gave a report to the Legislature on the University of Nebraska dormitory bonds. He described the proposed dormitory, told the cost and the anticipated completion date. A question and answer period followed.

MOTION—Adopt Report

Mr. President: I hereby move that the approval of the Executive Board of the Legislative Council of the request of The Board of Regents of The University of Nebraska, submitted pursuant to Article 4, Chapter 85, Reissue Revised Statutes of Nebraska, 1943, for approval of plans for new dormitory and food service facilities, including financing plans, dated October 22, 1963, and as filed with the Clerk of the Legislature, be ratified, affirmed and approved by this Legislature.

(Signed) Harold Stryker

The motion prevailed with 33 ayes, 0 nays and 10 not voting.

Member Excused

At 2:25 p.m. Mr. Nelson asked to be excused for the rest of the day.

STANDING COMMITTEE REPORTS**Enrollment and Review**

LEGISLATIVE BILL 5. Placed on Select File.

LEGISLATIVE BILL 6. Placed on Select File as amended.

E and R amendment to LB 6:

1. Amend the title of the bill, line 12, by striking "two thousand" and inserting "thirty-five hundred".

(Signed) Eugene Mahoney, Chairman

MOTION—Suspend Rules

Mr. Mahoney moved to suspend the rules and take up LB 5 and LB 6 on Select File at this time.

The motion prevailed with 33 ayes, 0 nays and 10 not voting.

SELECT FILE

LEGISLATIVE BILL 5. Advanced to E and R for engrossment.

LEGISLATIVE BILL 6. E and R amendments found in today's Legislative Journal were adopted.

Advanced to E and R for engrossment.

BILLS ON FIRST READING

LEGISLATIVE BILL 14. By Albert A. Kjar, Legislative District 36, Michael P. Russillo, Legislative District 9, and H. L. Gerhart, Legislative District 15.

A BILL FOR AN ACT to amend sections 8-418, 8-801, 45-105, and 45-138, Reissue Revised Statutes of Nebraska, 1943, section 45-114, Revised Statutes Supplement, 1961, and sections 45-101 and 45-102, Revised Statutes Supplement, 1961, as amended by sections 1 and 2, Legislative Bill 546, Seventy-third Session, Nebraska State Legislature, 1963, relating to interest; to increase the maximum interest rate; to conform references to permitted interest; to change penalties; to repeal the original sections; and to declare an emergency.

UNANIMOUS CONSENT—Add Co-introducer

Mr. Kjar asked unanimous consent that Mr. Hasebroock's name be added as co-introducer to LB 14. No objections. So ordered.

SUSPEND RULES—Refer LB 13 and LB 14

Mr. Stromer moved to suspend the rules and be at ease for fifteen minutes to refer bills.

The motion prevailed with 33 ayes, 0 nays and 10 not voting.

Ease

The Legislature was at ease from 2:33 p.m. until 2:45 p.m.

REFERENCE COMMITTEE REPORT

LB	Committee
13.....	Banking, Commerce and Insurance
14.....	Banking, Commerce and Insurance

Members Excused

Messrs. Ruhnke, Kremer, E. Rasmussen and Klaver were excused for Thursday, October 24, 1963.

Adjournment

At 2:50 p.m., on a motion by Mr. Stryker, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

FOURTH DAY

Legislative Chamber, Lincoln, Nebraska
Thursday, October 24, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m.,
President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except
Messrs. Bowen, Danner, Klaver, Kremer, Nelson, E. Rasmussen,
Ruhnke, Stalder and Syas who were excused.

Corrections for the Journal

Page 22, line 7, add "LB 12 Budget".

The Journal for the Third Day was approved.

MESSAGE FROM THE GOVERNOR

STATE OF NEBRASKA
Executive Office
LINCOLN

October 24, 1963

The President, the Speaker,
and Members of the Legislature
Lincoln, Nebraska

Senators of the Seventy-fourth (Extraordinary) Session:

Please be advised that on September 6, 1963, I reappointed Dr.
Loyal Payne of Lincoln to the State Board of Health for the term
expiring September 13, 1966, and on September 13, 1963, I reap-
pointed Charles F. Fowler of Lincoln to the State Board of Health
for the term expiring September 13, 1966.

On September 4, 1963, I reappointed Ray L. Smith of Chappell to
the Nebraska Oil and Gas Conservation Commission for term ex-
piring September 28, 1967.

These appointments, together with those submitted on October 22, 1963, complete the list of appointments requiring legislative confirmation which have been made since adjournment of the last session.

Respectfully,

(Signed) Frank B. Morrison
Governor

FBM:f

Referred to Committee on Committees.

Announcement

Mr. Skarda announced that he had placed pamphlets on the members' desks.

Visitor

Mr. Bahensky introduced his daughter, Cheryl Bahensky.

Ease

Mr. Kjar requested the Legislature be at ease to allow the Banking, Commerce and Insurance Committee to meet in the West Lounge.

The President declared the Legislature at ease.

The Legislature was at ease from 9:08 a.m. until 10:40 a.m.

BILLS ON FIRST READING

LEGISLATIVE BILL 15. By Committee on Banking, Commerce and Insurance, Albert A. Kjar, 36th District, Chairman.

A BILL FOR AN ACT to appropriate all receipts of the Retail Installment Sales Fund for the purpose of making refunds; to provide the manner such refunds shall be paid; and to declare an emergency.

Members Excused

Messrs. R. Rasmussen, Brandt, and Foster were excused for the rest of the day.

Recess

At 10:47 a.m., on a motion by Mr. Kjar, the Legislature recessed until 3:00 p.m.

After Recess

The Legislature reconvened at 3:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. Bowen, Danner, Foster, Kremer, Klaver, Nelson, E. Rasmussen, Ruhnke, Stalder, and Syas who were excused.

Announcement

Mr. Srb announced that copies of a Supreme Court Decision are on the members' desks at the request of Mr. McGinley.

Member Excused

Mr. Thompson asked to be excused for tomorrow, October 25, 1963.

Visitors

Mr. Reeves introduced three members of the Governor's Committee for Youth from Polk, Nebraska. They were Stephen Flodman, Dee Willitts and Connie Jones. Adult sponsors were Mrs. Lloyd Hahn and Mrs. Irvin Anderson of Polk.

Members Excused

Messrs. Skarda and Mahoney asked to be excused for tomorrow, October 25, 1963.

STANDING COMMITTEE REPORTS**Enrollment and Review**

LEGISLATIVE BILL 5. Correctly engrossed.

LEGISLATIVE BILL 6. Correctly engrossed.

(Signed) Eugene Mahoney, Chairman

BILLS ON FIRST READING

LEGISLATIVE BILL 16. By Albert A. Kjar, Legislative District 36, H. L. Gerhart, Legislative District 15, and W. H. Hasebroock, Legislative District 12.

A BILL FOR AN ACT relating to agreements pertaining to purchase of personal property on a deferred or installment payment basis; to declare public policy in view of recent decisions of the Supreme Court of Nebraska with regard to said agreements; to define such agreements and provide that the same include retail installment con-

tracts entered into pursuant to the Installment Sales Act, namely, Legislative Bill 811, enacted at the Seventy-third Session, Nebraska State Legislature, 1963, or the act repealed by it, namely, sections 45-301 to 45-312, Reissue Revised Statutes of Nebraska, 1943, and also revolving charge agreements entered into pursuant to sections 45-201 to 45-203, Reissue Revised Statutes of Nebraska, 1943, in the event the latter said act is held to be unconstitutional for any reason and the inhibitory provisions thereof, including the penalty or forfeiture provisions, rendered inoperative on that account; to resolve legislatively a conflict in the provisions of section 45-105, Reissue Revised Statutes of Nebraska, 1943, and the provisions of sections 45-114 to 45-158, Reissue Revised Statutes of Nebraska, 1943, as amended by Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963; to amend section 45-105, Reissue Revised Statutes of Nebraska, 1943, section 45-101, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 546, Seventy-third Session, Nebraska State Legislature, 1963, and section 45-102, Revised Statutes Supplement, 1961, as amended by section 2, Legislative Bill 546, Seventy-third Session, Nebraska State Legislature, 1963; to prescribe the limit on interest and penalty or forfeiture provisions applicable to any such agreement if judicially determined to constitute a loan with interest; to provide that the provisions of this act shall apply to agreements made prior to or after the effective date of this act, except those agreements on which a final judgment has been obtained as of the effective date of this act; to provide a severability clause; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 17. By Albert A. Kjar, Legislative District 36, H. L. Gerhart, Legislative District 15, and W. H. Hasebroock, Legislative District 12.

A BILL FOR AN ACT to amend sections 45-138, 45-154, and 45-155, Reissue Revised Statutes of Nebraska, 1943, and section 45-137, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963, relating to installment loans; to change the penalties and remedies relating to installment loans; to declare that these amendments shall apply retroactively to existing installment loans and to installment loans made after the effective date of this act; to provide a severability clause; to repeal the original sections, and to declare an emergency.

LEGISLATIVE BILL 18. By Albert A. Kjar, Legislative District 36, H. L. Gerhart, Legislative District 15,

and W. H. Hasebroock, Legislative District 12.

A BILL FOR AN ACT to amend section 8-432, Reissue Revised Statutes of Nebraska, 1943, relating to industrial loan and investment companies; to provide for violations; to provide penalties; to change the penalties for certain violations; to declare that those amendments shall apply to existing installment loans and to installment loans made after the effective date of this act; to provide a severability clause; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 19. By Albert A. Kjar, Legislative District 36, W. H. Hasebroock, Legislative District 12, and H. L. Gerhart, Legislative District 15.

A BILL FOR AN ACT to amend section 45-114, Revised Statutes Supplement, 1961, relating to installment loans; to provide that it was not and is not the intention of the Legislature that sections 45-114 to 45-155, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto, be construed as being applicable to contracts entered into between buyers and sellers for the deferred payment of the purchase price of property or services; to repeal the original section; and to declare an emergency.

Member Excused

Mr. Russillo asked to be excused for tomorrow, October 25, 1963.

Visitors

Mr. Warner introduced Eduardo Roetman, San Martin, Argentina, who is living with Mr. and Mrs. M. O. Strand, York, Nebraska.

MOTION—Suspend Rules

Mr. Stryker moved to recess to allow the Reference Committee to meet and refer bills.

The motion prevailed with 30 ayes, 0 nays and 13 not voting.

Ease

The Legislature was at ease from 3:16 p.m. to 3:30 p.m.

REFERENCE COMMITTEE REPORT

LB	Committee
15.....	Budget
16.....	Banking, Commerce and Insurance
17.....	Banking, Commerce and Insurance
18.....	Banking, Commerce and Insurance
19.....	Banking, Commerce and Insurance

UNANIMOUS CONSENT—Hold Hearings

Mr. Kjar asked unanimous consent to hold part of the usury bills on Wednesday and continue the hearing over until Thursday on the remainder. No objections. So ordered.

BILLS ON FIRST READING

LEGISLATIVE BILL 20. By George C. Gerdes, Legislative District 41, and Hal Bridenbaugh, Legislative District 13.

A BILL FOR AN ACT to amend sections 5 and 11, Legislative Bill 100, Seventy-third Session, Nebraska State Legislature, 1963, relating to public health and welfare; to establish a separate fund for the tax as prescribed; to provide the use of such fund; to repeal the original sections; and to declare an emergency.

MOTION—Suspend Rules

Mr. Gerdes moved to suspend the rules and allow LB 20 to be referred.

The motion prevailed with 30 ayes, 0 nays and 13 not voting.

REFERENCE COMMITTEE REPORT

LB	Committee
20.....	Budget

Speaker Moulton Presiding

NOTICE OF COMMITTEE HEARINGS**Budget**

LB 12	Friday, November 1, 1963	2:00 p.m.
LB 15	Friday, November 1, 1963	2:00 p.m.
LB 20	Friday, November 1, 1963	2:00 p.m.

SUSPEND RULES—Hearing Time Change

Mr. Stryker moved that the rules be suspended in order that Hearings on the Banking, Commerce and Insurance bills may start at 10:00 a.m.

Mr. Stryker asked for a Call of the House. The Call showed 29 members present.

Mr. Stryker moved the Call be raised. The motion prevailed with 27 ayes, 0 nays and 16 not voting.

Voting in the affirmative, 29:

Adamson	Forrester	Mahoney	Reeves
Bahensky	Gerdes	Marvel	Russillo
Burbach	Gerhart	McGinley	Skarda
Claussen	Gottschalk	Moulton	Stromer
Craft	Hasebroock	Orme	Stryker
Damrow	Kjar	Payne	Warner
Erlewine	Lysinger	Rasmussen, R.	Wylie
Fleming			

Voting in the negative, 0.

Not voting, 14:

Bowen	Danner	Nelson	Stalder
Brandt	Foster	Rasmussen, E.	Syas
Bridenbaugh	Klaver	Ruhnke	Thompson
Carpenter	Kremer		

The Stryker motion prevailed and the rules were suspended and the hearings on LB 11, LB 13, LB 14, LB 16, LB 17, LB 18 and LB 19 scheduled to start at 10:00 a.m.

NOTICE OF COMMITTEE HEARINGS**Banking, Commerce and Insurance**

LB 11	Wednesday, October 30, 1963	10:00 a.m.
LB 13	Wednesday, October 30, 1963	10:00 a.m.
LB 14	Wednesday, October 30, 1963	10:00 a.m.
LB 16	Wednesday, October 30, 1963	10:00 a.m.
LB 17	Thursday, October 31, 1963	10:00 a.m.
LB 18	Thursday, October 31, 1963	10:00 a.m.
LB 19	Thursday, October 31, 1963	10:00 a.m.

UNANIMOUS CONSENT—Change of Hearing Room

Mr. Kjar requested unanimous consent to hold the hearings on LB 11, LB 13, LB 14, LB 16, LB 17, LB 18 and LB 19 in the West Senate Chamber. No objections. So ordered.

Adjournment

At 3:57 p.m., on a motion by Mr. Hasebroock, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION**FIFTH DAY**

Legislative Chamber, Lincoln, Nebraska
Friday, October 25, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Kremer, Mahoney, McGinley, Nelson, Russillo, Skarda, Syas and Thompson who were excused.

Corrections for the Journal

Page 33, line 18, delete "and".

Page 34, insert after line 28, "Speaker Moulton Presiding".

Page 34, line 30, change "13" to "15".

Page 34, insert after line 29, "Budget".

The Journal for the Fourth Day was approved as corrected.

BILL ON FIRST READING

LEGISLATIVE BILL 21. By T. C. Reeves, Legislative District 30.

A BILL FOR AN ACT to amend sections 53-122, 53-123, 53-123.02, 53-123.03, 53-127, 53-138.02, and 53-179, Reissue Revised Statutes of Nebraska, 1943, as amended by Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, and sections 53-103 and 53-124, Revised Statutes Supplement, 1961, as amended by Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, relating to liquors; to redefine terms; to eliminate the provisions for licensing of nonprofit corporations and bottle clubs; to repeal the original sections, and also sections 6, 8, 11, and 13, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963.

Announcement

Mr. Gerdes announced that there would be a meeting of the Committee on Committees in the West Senate Lounge after Recess.

MOTION—Usury Rate

Mr. President: I move that the Acting State Banking Director be directed by registered mail to attain the assurance from every State and National chartered bank that if this Special Legislative Session increases the usury rate of interest from 9 to 12%, simple interest, that they will not automatically or otherwise raise the rates of interest that their existing accounts are now receiving or raise the rates of interest that others might have obtained under similar conditions as the result of the raising of the usury rate beyond that which now prevails.

(Signed) Terry Carpenter

Mr. Carpenter asked for a record vote.

Voting in the affirmative, 8:

Burbach	Claussen	Klaver	Ruhnke
Carpenter	Gottschalk	Marvel	Stromer

Voting in the negative, 23:

Adamson	Fleming	Kjar	Reeves
Brandt	Forrester	Moulton	Stalder
Bridenbaugh	Foster	Orme	Stryker
Craft	Gerdes	Payne	Warner
Damrow	Gerhart	Rasmussen, E.	Wylie
Erlewine	Hasebroock	Rasmussen, R.	

Not voting, 12:

Bahensky	Kremer	McGinley	Skarda
Bowen	Lysinger	Nelson	Syas
Danner	Mahoney	Russillo	Thompson

The motion lost.

Visitors

Mrs. Orme introduced a group of students from Millard Lefler Jr. High School.

Mrs. Orme introduced a troop of 9th and 10th grade Senior Girl Scouts and Mrs. Warren Johnston, sponsor.

BILL ON FIRST READING

LEGISLATIVE BILL 22. By Terry Carpenter, Legislative District 42.

A BILL FOR AN ACT to regulate the business of debt management; to require licenses and to fix fees therefor; to prescribe

the powers and duties of the Department of Banking; to prescribe conditions for debt management contracts; to provide for the disposition of revenues; and to provide penalties for violations of the provisions of this act.

RESOLUTION

LEGISLATIVE RESOLUTION 1. Re: Supreme Court Determination of Constitutionality and Limitation Upon Interest Rates.

Introduced by Terry Carpenter, 42nd District

WHEREAS, recent decisions of the Nebraska Supreme Court held the Installment Sales Act Invalid; and indicated grave doubts about the constitutionality of all special interest laws as being class legislation; and

WHEREAS, the economy of the State of Nebraska cannot function properly without some legally acceptable method of financing such installment sales; and

WHEREAS, on account of the apprehension of those people who buy and discount such paper, the unknown financial liability that exists in the recent decisions of the Supreme Court holding the Installment Sales Act invalid, and the wide scope of those who must use this type of financing in order to survive financially in all facets of the business world, there is a desire to eliminate any question as to the constitutionality of Section 8-418-432, Section 8-801-814, Section 45-114-171, Chapter 21 Article 17, Chapter 45 Article 2, Chapter 8 Article 3, LB 811.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION:

1. That the Governor of the State of Nebraska and the Attorney General take whatever steps are necessary to request that the Supreme Court as soon as possible accept as an original action cases to determine the validity of Section 8-418-432, Section 8-801-814, Section 45-114-171, Chapter 21 Article 17, Chapter 45 Article 2, Chapter 8 Article 3, LB 811, in order to determine the constitutionality and the limitation, if any, upon the maximum rates of interest under the police powers of the Constitution of the State of Nebraska that this Legislature can enact; and bearing in mind the extreme financial conditions that have arisen to render a decision as soon as practical and possible.

Speaker Moulton Presiding**Request**

Mr. Klaver requested that copies of the Carpenter Resolution be placed on the members' desks.

Explanation of Vote

Mr. President: Had I been present, I would have voted "Yes" on the Carpenter motion.

(Signed) LeRoy Bahensky

BILL ON FIRST READING

LEGISLATIVE BILL 23. By Marvin E. Stromer, Legislative District 19.

A BILL FOR AN ACT to amend section 53-179, Reissue Revised Statutes of Nebraska, 1943, as amended by section 12, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, sections 53-103 and 53-124, Revised Statutes Supplement, 1961, as amended by sections 1 and 7, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, and section 6, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, relating to liquors; to redefine bottle club; to provide powers of bottle clubs; to provide for license fees for bottle clubs as prescribed; to change closing provisions of bottle clubs; to repeal the original sections; and to declare an emergency.

Recess

At 9:33 a.m., on a motion by Mr. Stryker, the Legislature recessed until 11:00 a.m.

After Recess

The Legislature reconvened at 11:00 a.m., President Burney presiding.

Roll was taken and all members were present except Messrs. Kremer, Mahoney, McGinley, Nelson, Russillo, Skarda, Syas and Thompson who were excused.

BILLS ON FIRST READING

LEGISLATIVE BILL 24. By Richard Lysinger, Legislative District 34.

A BILL FOR AN ACT to amend section 25-205, Reissue Revised Statutes of Nebraska, 1943, relating to limitation of actions on written contracts and foreign judgments; to fix the time within which an action attacking the validity or enforceability or to rescind or declare void and uncollectible any written contract entered into pursuant to, in compliance with, or in reliance on, a statute which has been or hereafter is held to be unconstitutional may be brought or maintained; to prescribe that such limitation shall be six months from the final decision of the Supreme Court of Nebraska or six months after the effective date of this act, whichever is later; to provide that nothing contained in this act shall operate to revive or extend any action now barred by reason of any existing limitation; to provide a severability clause; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 25. By Terry Carpenter, Legislative District 42.

A BILL FOR AN ACT to declare, affirm and clarify the law of Nebraska pertaining to sales of personal property or goods and services pursuant to contracts providing for deferred payment of all or part of the sale price of such personal property or goods and services; to provide that disclosure of the terms of such a sale shall not constitute any evidence of a loan or forbearance or any intent to evade interest or usury statutes; to provide that a written agreement of a purchaser pertaining to a purchase on an installment plan shall be enforceable as executed; to provide that this act shall apply to contracts executed before or after the effective date of this act; and to declare an emergency.

LEGISLATIVE BILL 26. By Kenneth L. Bowen, Legislative District 32.

A BILL FOR AN ACT to amend section 45-105, Reissue Revised Statutes of Nebraska, 1943, and section 45-101, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 546, Seventy-third Session, Nebraska State Legislature, 1963, relating to interest; to allow a greater rate of interest on installment loans which are repayable in approximately equal installments of one month or less, with certain exceptions, which loans are unsecured or where the only security taken is a chattel mortgage, conditional sales contract, or pledge of chattels; to provide penalties; and to repeal the original sections.

MOTION—Suspend Rules

Mr. Stryker moved to suspend the rules to allow the Reference Committee to refer new bills.

The motion prevailed with 35 ayes, 0 nays and 8 not voting.

Ease

The Legislature was at ease from 11:13 a.m. until 11:22 a.m.

REFERENCE COMMITTEE REPORT

LB	Committee
21.....	Government and Military Affairs
22.....	Banking, Commerce and Insurance
23.....	Government and Military Affairs
24.....	Banking, Commerce and Insurance
25.....	Banking, Commerce and Insurance
26.....	Banking, Commerce and Insurance

Members Excused

Mr. Foster asked to be excused Monday and Tuesday, October 28 and 29, Mr. R. Rasmussen asked to be excused Monday morning, and Mr. Danner asked to be excused Tuesday.

Announcement

Mr. Moulton announced that if any of the members would like more letterheads and envelopes they should contact the Supervisor, Mrs. Bradley, and they will be ordered.

NOTICE OF COMMITTEE HEARINGS**Banking, Commerce and Insurance**

LB 22	Thursday, October 31, 1963	10:00 a.m.
LB 24	Thursday, October 31, 1963	10:00 a.m.
LB 25	Thursday, October 31, 1963	10:00 a.m.
LB 26	Thursday, October 31, 1963	10:00 a.m.

Government and Military Affairs

LB 21	Friday, November 1, 1963	2:00 p.m.
LB 23	Friday, November 1, 1963	2:00 p.m.

Adjournment

At 11:32 a.m., on a motion by Mr. Stryker, the Legislature adjourned until 11:00 a.m. Monday morning, October 28, 1963.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

SIXTH DAY

Legislative Chamber, Lincoln, Nebraska
Monday, October 28, 1963.

Pursuant to adjournment, the Legislature met at 11:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Foster and R. Rasmussen who were excused.

The Journal for the Fifth Day was approved.

Communication

Federal Communications Commission report in regard to inquiry into local television programming in Omaha, Nebraska.

A copy of this report is on file in the Clerk's office.

RESOLUTION

LEGISLATIVE RESOLUTION 1. Laid over at Mr. Carpenter's request.

Visitors

Mr. Craft introduced his brother and sister-in-law, Mr. and Mrs. Paul V. Craft, Oklahoma City, Oklahoma.

Announcement

Mr. Carpenter announced that he had distributed copies of a newspaper editorial to the members.

Visitors

Mr. Srb introduced Dr. Hsiang-Ping Chen, Secretary General of Taiwan Provincial Assembly and his escort-interpreter, Jennings Wong, State Department, Washington, D. C.

SUSPEND RULES—Hold Committee Meeting

Mr. Gerdes moved to suspend the rules in order to permit the Committee on Committees to meet immediately after adjournment.

The motion prevailed with 38 ayes, 0 nays and 5 not voting.

Explanation of Vote

Mr. President: If I were present, I would have voted "Yes" for the Carpenter motion found in the Legislative Journal of the Fifth Day, page 38.

(Signed) William R. Skarda, Jr.
Eugene T. Mahoney

Adjournment

At 11:11 a.m., on a motion by Mr. Carpenter, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

SEVENTH DAY

Legislative Chamber, Lincoln, Nebraska
Tuesday, October 29, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Danner, Foster, Payne and E. Rasmussen who were excused.

The Journal for the Sixth Day was approved.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 5. With emergency.

A BILL FOR AN ACT to provide for the compensation of employees, mileage of members, and for supplies and other incidental expenses incurred during the Seventy-fourth (Extraordinary) Session of the Legislature of the State of Nebraska; to appropriate the sum of twenty-five thousand dollars therefor; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 36:

Adamson	Erlewine	Kremer	Ruhnke
Bahensky	Fleming	Lysinger	Russillo
Bowen	Forrester	Mahoney	Skarda
Brandt	Gerdes	Marvel	Stalder
Burbach	Gerhart	McGinley	Stryker
Carpenter	Gottschalk	Moulton	Syas
Claussen	Hasebroock	Nelson	Thompson
Craft	Kjar	Orme	Warner
Damrow	Klaver	Reeves	Wylie

Voting in the negative, 0:

Not voting, 7:

Bridenbaugh	Foster	Rasmussen, E.	Stromer
Danner	Payne	Rasmussen, R.	

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 6. With emergency.

A BILL FOR AN ACT to provide for the payment of compensation of bill drafters, legal researchers, correlation clerk, stenographers, and proofreaders, the payments as provided by Chapter 68, article 6, Reissue Revised Statutes of Nebraska, 1943, and for the payments to be made for supplies and other incidental expenses incurred by the bill drafting and related services of the Nebraska Legislative Council during the Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, commencing October 21, 1963; to appropriate the sum of thirty-five hundred dollars therefor; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 37:

Adamson	Fleming	Lysinger	Ruhnke
Bahensky	Forrester	Mahoney	Russillo
Bowen	Gerdes	Marvel	Skarda
Brandt	Gerhart	McGinley	Stalder
Burbach	Gottschalk	Moulton	Stryker
Carpenter	Hasebroock	Nelson	Syas
Claussen	Kjar	Orme	Thompson
Craft	Klaver	Rasmussen, R.	Warner
Damrow	Kremer	Reeves	Wylie
Erlewine			

Voting in the negative, 0:

Not voting, 6:

Bridenbaugh	Foster	Rasmussen, E.	Stromer
Danner	Payne		

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

Announcement

Mr. Carpenter requested that copies of a letter to Mr. Frank M. Woods, Director, Department of Public Welfare, in reference to LB 352 be placed on the members' desks.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 5. Correctly enrolled.

LEGISLATIVE BILL 6. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 5 and LB 6.

Visitors

Mr. R. Rasmussen introduced Mrs. Julia M. O'Campo, Calasiao, Rangasinan, Philippines, Mrs. Pat Hernandez, Davao City, Philippines, and Miss Ludy de Vera, Daet, Camarines Norte, Philippines.

Mr. Stromer introduced Mr. Roger A. Clough, Principal, Miss Betty Pauley, Assistant Principal, Vern Burling, LeRoy Hansen, Ross Hansing, Mrs. Kathryn Piper, Miss Winnifred Howell, Mrs. Mary Wade and 177 students from Everett Junior High School.

Members Excused

The President excused members of the Judiciary Committee so they could hold their Committee hearing.

Explanation of Vote

Mr. President: Had I been present I would have voted "Aye" on LB 5 and LB 6 on Final Reading.

(Signed) Marvin E. Stromer

Adjournment

At 9:17 a.m., on a motion by Mr. Nelson, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

EIGHTH DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, October 30, 1963

Pursuant to adjournment, the Legislature was called to order at 9:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Klaver, McGinley, Syas and Warner who were excused.

The Journal for the Seventh Day was approved.

Visitors

Mr. Skarda introduced John Tenczer and Bill Blessie of Omaha, Nebraska.

Announcement

Mr. Reeves announced that material relative to today's hearings was being put on the members' desks at his request.

Speaker Moulton Presiding**Message from Governor**

October 30, 1963

The President, the Speaker,
and Members of the Legislature:

Please be advised that on October 29, 1963, I approved LB 5 and LB 6.

Respectfully,

(Signed) Frank B. Morrison
Governor

FBM:f

Presented to Governor

Presented to the Governor for approval on October 29, 1963 at 10:00 a.m.: LB 5 and LB 6.

(Signed) Duane Hubbard, Assistant Clerk

NOTICE OF COMMITTEE HEARINGS

Committee on Committees

October 29, 1963

Mr. President:

The Committee on Committees will meet at 1:00 p.m., on Monday, November 4, 1963, in the Supreme Court Hearing Room for the purpose of hearing appointments submitted by Governor Frank B. Morrison, as follows:

State Employees Retirement Board:

Lowell Fisk, Lincoln
Merle Humphries, Lincoln
Jack M. Cleavenger, Lincoln
Hodge Jones, Omaha
Dean Irish, Albion

The Committee on Committees will meet at 1:00 p.m., on Wednesday, November 6, 1963, in the Supreme Court Hearing Room for the purpose of hearing appointments submitted by Governor Frank B. Morrison, as follows:

Nebraska Educational Television Commission:

Joseph Maresh, Dodge
Mrs. Maurice Frank, Omaha
Dr. Steven N. Watkins, Lincoln
Robert Minnick, Alliance
Dr. Theron B. Maxson, Hastings
J. Arthur Danielson, Lincoln

Respectfully submitted,

(Signed) George C. Gerdes
George C. Gerdes, Chairman

STANDING COMMITTEE REPORT

Committee on Committees

October 28, 1963

Mr. President:

The Committee on Committees desires to report favorably upon the appointments listed below which were submitted by Governor Frank B. Morrison. The Committee suggests that the appointments be confirmed by this Legislative Body, and suggests a record vote on each confirmation.

Mr. Robert O'Keefe, Omaha, Highway Advisory Commission.
 Mr. Merle Kingsbury, Ponca, Highway Advisory Commission.
 Mr. C. E. Metzger, Louisville, Highway Advisory Commission.

Respectfully submitted,

(Signed) George C. Gerdes
 George C. Gerdes, Chairman
 Committee on Committees

MOTION—Accept Report

Mr. President: I move that the report of the Committee on Committees be adopted, and that each appointment be considered separately and by record vote. (Signed) George C. Gerdes

The motion prevailed. The report was adopted.

Vote on Mr. O'Keefe

Voting in the affirmative, 34:

Adamson	Forrester	Marvel	Ruhnke
Bahensky	Foster	Moulton	Russillo
Brandt	Gerdes	Nelson	Skarda
Bridenbaugh	Gerhart	Orme	Stalder
Burbach	Gottschalk	Payne	Stromer
Claussen	Hasebroock	Rasmussen, E.	Stryker
Craft	Kjar	Rasmussen, R.	Thompson
Damrow	Kremer	Reeves	Wylie
Fleming	Mahoney		

Voting in the negative, 1:

Carpenter

Not voting, 8:

Bowen	Erlewine	Lysinger	Syas
Danner	Klaver	McGinley	Warner

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. O'Keefe confirmed.

Vote on Mr. Kingsbury

Voting in the affirmative, 34:

Adamson	Forrester	Marvel	Ruhnke
Bahensky	Foster	Moulton	Russillo
Brandt	Gerdes	Nelson	Skarda
Bridenbaugh	Gerhart	Orme	Stalder
Burbach	Gottschalk	Payne	Stromer
Claussen	Hasebroock	Rasmussen, E.	Stryker
Craft	Kjar	Rasmussen, R.	Thompson
Damrow	Kremer	Reeves	Wylie
Fleming	Mahoney		

Voting in the negative, 1:

Carpenter

Not voting, 8:

Bowen	Erlewine	Lysinger	Syas
Danner	Klaver	McGinley	Warner

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Kingsbury confirmed.

Vote on Mr. Metzger

Voting in the affirmative, 35:

Adamson	Fleming	Mahoney	Ruhnke
Bahensky	Forrester	Marvel	Russillo
Brandt	Foster	Moulton	Skarda
Bridenbaugh	Gerdes	Nelson	Stalder
Burbach	Gerhart	Orme	Stromer
Claussen	Gottschalk	Payne	Stryker
Craft	Hasebroock	Rasmussen, E.	Thompson
Damrow	Kjar	Rasmussen, R.	Wylie
Erlewine	Kremer	Reeves	

Voting in the negative, 1:

Carpenter

Not voting, 7:

Bowen	Klaver	McGinley	Warner
Danner	Lysinger	Syas	

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Metzger confirmed.

STANDING COMMITTEE REPORT**Agriculture**

LEGISLATIVE BILL 3. Placed on General File.

(Signed) Frank Nelson, Chairman

Members Excused

Messrs. Lysinger and Danner were excused for today. Mr. Adamson was excused for Friday, November 1, 1963 and Mr. Erlewine was excused for the rest of the week.

UNANIMOUS CONSENT—LB 3

Mr. Carpenter requested unanimous consent to take up LB 3 on General File. No objections. So ordered.

GENERAL FILE

LEGISLATIVE BILL 3. Read and considered.

Mr. Payne offered the following amendment, which was adopted.

1. Amend line 7 by inserting "also known as Tuttle's" after the word "Tuddle's".

Advanced to E and R for review with 37 ayes, 0 nays and 6 not voting.

Adjournment

At 9:35 a.m., on a motion by Mr. Carpenter, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

NINTH DAY

Legislative Chamber, Lincoln, Nebraska
Thursday, October 31, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m.,
President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except
Messrs. Eriewine, E. Rasmussen, Syas and Wylie who were excused.

The Journal for the Eighth Day was approved.

Message from Governor

October 30, 1963

The President, the Speaker,
and Members of the Legislature
State Capitol
Lincoln, Nebraska

Dear Senators of the Seventy-fourth (Extraordinary) Session:

In accordance with the provisions of Legislative Bill 648, Seventy-third Session, Nebraska State Legislature, 1963, I have this day made the following appointments to the Nebraska Motor Vehicle Dealers License Board:

J. S. Sidders, Hastings (trailer dealer), for term expiring October 19, 1964

Homer P. Smith, 5051 L Street, Omaha (new car dealer), for term expiring October 19, 1965.

Also as directed by the provisions of the aforementioned Legislative Bill 648, these appointments are submitted for your consideration.

Respectfully,
(Signed) Frank B. Morrison
Frank B. Morrison
Governor

Referred to Committee on Committees.

UNANIMOUS CONSENT—Hold Meeting

Mr. Marvel asked unanimous consent to allow the Budget Committee to hold an Executive Session meeting immediately following adjournment in the West Senate Lounge. No objection. So ordered.

Visitors

Mr. Hasebroock introduced Wm. Glen Roberts from West Point, Nebraska.

Mr. Claussen introduced Mr. L. M. Shultz, Rogers, Neb., former State Senator from the 16th District.

STANDING COMMITTEE REPORTS**Judiciary**

LEGISLATIVE BILL 2. Indefinitely postponed.

LEGISLATIVE BILL 8. Placed on General File as amended.

Standing Committee amendment to LB 8:

In Section 1, Page 6, Line 147, strike the period after "1954" and insert the following: ", on the effective date of this act."

(Signed) Donald F. McGinley, Chairman

Enrollment and Review

LEGISLATIVE BILL 3. Placed on Select File as amended.

1. Payne General File Amendment 1, line 1, insert a comma before "also" inside the quotation marks, and insert a comma after "Tuttle's" inside the quotation marks.

(Signed) Eugene T. Mahoney, Chairman

Visitors

Mr. Foster introduced the Senior Social Studies Class, L. H. Kuhie, Superintendent, and Willard Jensen, Sponsor, from the Milford School.

Members Excused

Messrs. R. Rasmussen, Damrow, Foster and Russillo were excused for tomorrow, November 1, 1963.

Adjournment

At 9:19 a.m., on a motion by Mr. Stryker, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION**TENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Friday, November 1, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Adamson, Carpenter, Damrow, Danner, Erlewine, Foster, Kremer, R. Rasmussen, Stalder and Wylie who were excused.

The Journal for the Ninth Day was approved.

UNANIMOUS CONSENT—Executive Session

Mr. Marvel asked unanimous consent to have the Budget Committee hold an executive session at 10:00 a.m. today, in the East Senate Lounge.

No objections. So ordered.

STANDING COMMITTEE REPORTS**Budget**

LEGISLATIVE BILL 4. Placed on General File.

(Signed) Richard D. Marvel, Chairman

Education

LEGISLATIVE BILL 1. Placed on General File as amended.

Standing Committee amendments to LB 1:

1. Amend the bill by adding two sections immediately after section 1 to be known as sections 2 and 3 and to read as follows:

“Sec. 2. That section 72-224.02, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-224.02. If the school land to be taken is held under lease and is sought to be acquired by any department of the state gov-

ernment, or any irrigation district, *watershed conservancy district*, *watershed district*, public power district, or public power and irrigation district, for public use, the fair and reasonable value of the interest of the state as trustee for the public schools in said land so taken shall be ascertained as is provided in section 72-224.03; *Provided*, if the department of the state desiring to acquire such land from the board is unable to adjust the value of the improvements and any damage thereto, and the damage otherwise arising to the holder of the lease by the condemnation of his interest in the lease, if any, with the holder of the lease, the proceedings to ascertain such damage, if any, and to acquire the interest of the holder of the lease shall be had as is provided in section 72-224. In such a proceeding, the board may be made a party or may intervene to protect its interests. The value of the improvements taken, the damage thereto, and any other damage to the holder of the lease, as above provided, shall be paid to the owner of the lease.

Sec. 3. That section 72-224.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-224.03. If the land to be taken is held under outstanding lease and is sought to be acquired by any department of the state government, or any irrigation district, *watershed conservancy district*, *watershed district*, public power district, or public power and irrigation district, for public use, the condemnation of the interest of the state, as trustee for the public schools, in educational lands as is authorized by sections 72-213 to 72-222, shall be exercised in the following manner:

(1) The proceedings shall be had before a board of appraisers consisting of the Auditor of Public Accounts, the Commissioner of Education, and the State Engineer. In the absence of either the Auditor of Public Accounts or the Commissioner of Education, the deputy of the absent officer may act in his place. In the absence of the State Engineer, the chief highway engineer of the Department of Roads may act in his place.

(2) The condemnation proceedings shall be commenced by the filing of an application for that purpose with the secretary of the Board of Educational Lands and Funds. Notice of the pendency of such application and the date of hearing shall be given by serving a copy of the application, together with notice of the date of hearing, upon the Governor and the Attorney General. The date of hearing shall be not less than ten days from the date of the filing of the application.

(3) The department of state government filing the application and the Board of Educational Lands and Funds may present evi-

dence before the board of appraisers. The board shall have the power to administer oaths and subpoena witnesses at the request of either party or on its own motion.

(4) After hearing the evidence, the board of appraisers shall make the award and file same in the office of the Board of Educational Lands and Funds. No appeal shall lie from such award.

(5) Upon payment of the amount of the award by the department of state government filing the application, it shall be the duty of the secretary of the Board of Educational Lands and Funds to cause a certified copy of the award to be filed in the office of the register of deeds in the county or counties where the land is located. The filing of such certified copy of the award shall have the force and effect of a deed of conveyance of the real estate and shall constitute a transfer of the title thereto.”

2. Amend the bill by striking original section 2 and inserting in lieu thereof the following:

“Sec. 4. That original sections 72-222, 72-224.02, and 72-224.03, Reissue Revised Statutes of Nebraska, 1943, are repealed.”

3. Amend the bill by renumbering original section 3 as section 5.

4. Amend the title to conform.

LEGISLATIVE BILL 10. Indefinitely postponed.

(Signed) Ross H. Rasmussen, Chairman

SELECT FILE

LEGISLATIVE BILL 3. E and R amendment found in the Legislative Journal for the Ninth Day was adopted.

Advanced to E and R for engrossment.

GENERAL FILE

LEGISLATIVE BILL 8. Mr. McGinley asked unanimous consent to dispense with the reading of the bill and read only the new and stricken material. No objections. So ordered.

Standing Committee amendments found in the Legislative Journal for the Ninth Day were adopted.

Advanced to E and R for review with 28 ayes, 2 nays and 13 not voting.

Visitors

Mr. Mahoney introduced Irene Goettshe and Lorraine Decabooter from Omaha.

Member Excused

Mr. McGinley asked to be excused for Monday, November 4, 1963.

Adjournment

At 9:27 a.m., on a motion by Mr. Moulton, the Legislature adjourned until 11:00 a.m., Monday, November 4, 1963.

The motion prevailed with 27 ayes, 0 nays and 16 not voting.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION**ELEVENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Monday, November 4, 1963

Pursuant to adjournment, the Legislature met at 11:00 a.m., President Burney presiding.

Prayer was offered by the Reverend Martin Schroeder of the Messiah Lutheran Church, Grand Island, Nebraska.

The roll was called and all members were present except Messrs. Mahoney and McGinley who were excused.

The Journal for the Tenth Day was approved.

STANDING COMMITTEE REPORTS**Banking, Commerce and Insurance**

LEGISLATIVE BILL 16. Placed on General File.

LEGISLATIVE BILL 17. Placed on General File as amended.

Standing Committee amendments to LB 17:

1. Amend Section 1 of the bill, subsection 5, lines 185 and 186, by striking "and a sum equal thereto";
2. Section 2, subsection 3, lines 69 and 70, by striking "and a sum equal thereto";
3. Section 3, line 11 by striking "and a sum equal thereto";
4. Section 4, line 8, by striking "and a sum equal thereto".

LEGISLATIVE BILL 18. Placed on General File.

LEGISLATIVE BILL 19. Placed on General File as amended.

Standing Committee amendments to LB 19:

1. In the title, strike lines 2 to 11, and insert:

"FOR AN ACT relating to contracts; to declare public policy; to provide for the protection of those people who have in good faith

entered into contracts and agreements in compliance with statutes containing mandatory provisions requiring compliance therewith and imposing criminal or civil sanctions, penalties, or forfeitures for failure to do so, which statutes are later held to be unconstitutional; to provide that such persons shall not be penalized by reason of compliance with any such unconstitutional statute, and that such agreements entered into prior to the declaration of unconstitutionality shall be valid and enforceable according to their terms, subject to common law defenses; to provide that the provisions of this act shall apply to statutes and agreements entered into in accordance therewith enacted and entered into prior to or after the effective date of this act; and to declare an emergency.”.

2. Strike sections 1 to 3 and insert:

“Section 1. The Legislature finds and declares as a matter of public policy:

(1) The retroactive invalidation of what has been relied upon by the general public as law has frequently led to harsh and unintended results;

(2) This is especially true as a result of the recent Nebraska Supreme Court decisions which invalidated the Nebraska Installment Sales Act, sections 45-301 to 45-312, Reissue Revised Statutes of Nebraska, 1943, and its successor, Legislative Bill 811, Seventy-third Session, Nebraska State Legislature, 1963, since those dealing in installment sales were compelled to contract in accordance with the terms and provisions of such acts or subject themselves to the civil and criminal penalties or forfeitures thereunder;

(3) Judicial determinations holding unconstitutional a statute which contains mandatory provisions requiring compliance and imposing civil or criminal sanctions, penalties, or forfeitures for failure to do so should be given prospective effect only; and

(4) Common fairness and natural justice dictate that persons who contracted in good faith in accordance with such statutes, if judicially determined to be unconstitutional, should not be penalized or one party placed at a disadvantage to the other by reason thereof.

Sec. 2. Notwithstanding the provisions of any other statute, any statute containing mandatory provisions requiring compliance therewith and subjecting those acting within the operative scope thereof to civil or criminal sanctions, penalties, or forfeitures for failure to so comply is judicially determined to be unconstitutional, such judicial determination shall be given prospective effect only and agreements entered into in accordance with such statutes prior to the date of the particular decision holding the applicable statute

unconstitutional shall be fully valid and enforceable according to their terms, subject to common law defenses applicable to all contracts.

Sec. 3. The provisions of this act shall apply to statutes enacted and to agreements entered into in accordance therewith prior to or after the effective date of this act.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval according to law.”.

(Signed) Albert A. Kjar, Chairman

Enrollment and Review

LEGISLATIVE BILL 8. Placed on Select File.

LEGISLATIVE BILL 3. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

Visitors

Mr. Stromer introduced Mrs. A. H. Ernst, teacher, and 33 students from Trinity Lutheran School, Lincoln, Nebraska.

MOTION—Mailing of Bills

Mr. President: I move that the legislative bills and journals of the special session be sent daily to subscribers at a cost of \$5.00.

(Signed) Richard D. Marvel

The motion prevailed with 34 ayes, 0 nays and 9 not voting.

GENERAL FILE

LEGISLATIVE BILL 4. Read and considered.

Advanced to E and R for review with 40 ayes, 0 nays and 3 not voting.

LEGISLATIVE BILL 1. Read and considered.

Standing Committee amendments found in the Legislative Journal for the Tenth Day were adopted.

Advanced to E and R for review with 39 ayes, 0 nays and 4 not voting.

Visitors

Mr. Stalder introduced Terry Harlow, Wilson Fitzpatrick, teacher, and 31 students from Lewiston High.

UNANIMOUS CONSENT—Hold Meetings

Mr. Kjar asked unanimous consent to allow the Banking, Commerce and Insurance Committee to meet in Executive Session at 1:30 p.m. in the West Senate Lounge. No objections. So ordered.

Mr. Brandt asked unanimous consent to allow the Judiciary Committee to meet in Executive Session at 1:00 p.m. in the West Chamber. No objections. So ordered.

UNANIMOUS CONSENT—Member Excused

Mr. Brandt asked unanimous consent to be excused for the remainder of the day. No objections. So ordered.

STANDING COMMITTEE REPORT**Budget**

LEGISLATIVE BILL 12. Indefinitely postponed.

LEGISLATIVE BILL 15. Placed on General File.

(Signed) Richard D. Marvel, Chairman

MOTION—Place LB 2 on General File

Mr. President: I move LB 2 be placed on General File notwithstanding the Committee action.

(Signed) Terry Carpenter

Mr. Carpenter asked for a record vote.

Speaker Moulton Presiding

Voting in the affirmative, 12:

Bahensky	Craft	Moulton	Skarda
Bowen	Danner	Payne	Stryker
Carpenter	Kremer	Russillo	Syas

Voting in the negative, 26:

Adamson	Bridenbaugh	Damrow	Fleming
Brandt	Burbach	Erlewine	Forrester

Foster	Klaver	Rasmussen, E.	Stalder
Gerdes	Lysinger	Rasmussen, R.	Thompson
Gerhart	Marvel	Reeves	Warner
Hasebroock	Nelson	Ruhnke	Wylie
Kjar	Orme		

Not voting, 5:

Claussen	Mahoney	McGinley	Stromer
Gottschalk			

The motion lost.

Recess

At 12:12 p.m., on a motion by Mr. Carpenter, the Legislature recessed until 3:00 p.m.

After Recess

The Legislature reconvened at 3:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. Brandt, Klaver, Moulton, E. Rasmussen, and Syas who were excused.

STANDING COMMITTEE REPORTS

Budget

LEGISLATIVE BILL 20. Placed on General File as amended.

Standing Committee amendment to LB 20:

1. In section 2, strike line 34 and insert "state treasury. to the credit of the General Fifty thousand dollars received from such tax each year shall be deposited to the credit of the General Fund until full repayment has been made to the General Fund of any sums appropriated therefrom for the initial implementation of the provisions of sections 1 to 10 of this act. The balance of the proceeds of such tax shall be deposited to the credit of the Medical Care".

(Signed) Richard D. Marvel, Chairman

Government and Military Affairs

LEGISLATIVE BILL 23. Placed on General File as amended.

Standing Committee amendments to LB 23:

1. Amend section 1 of the bill, line 148 by reinstating the

comma, by striking lines 149 and 150 and inserting "whether formally organized as a club having a *membership committee and a regular membership list* , dues, officers, and meetings or not , keeping", and line 159 by striking the stricken matter and inserting " , or card system , or any other system ; *Provided, that no person shall be a member of a club until at least five days after submitting his name for membership.*"

2. Amend section 3 of the bill, line 147 by inserting after the semicolon the following:

"Provided, that if the incorporated city or village does not have an occupation tax for nonprofit corporation licenses, then the licensee shall pay an amount equal to a class C license occupation tax for such city or village;"

and line 148 by striking "Provided" and inserting "Provided and provided further".

3. Amend section 4 of the bill, subsection (2), lines 20 to 22, by striking the following: "*; Provided, that such limitations shall not apply to a nonprofit corporation or bottle club licensee.*" and inserting a period after the word "Sunday" in line 20.

LEGISLATIVE BILL 21. Indefinitely postponed.

(Signed) Kenneth L. Bowen, Chairman

Budget

LEGISLATIVE BILL 7. Placed on General File as amended.

Standing Committee amendments to LB 7:

1. In section 3, line 227, insert "*annually*" before "*for*".

2. In section 4, strike lines 34 to 38.

3. In section 8, line 3, strike "*11,000.00*" and insert "*9,700.00*".

1. Amend section 5 of the bill by striking lines 17 to 19, reinstating line 20, and inserting after line 25 the following:

"(2) Salaries, wages, and expenses for collecting fees from nonresident commercial motor vehicle operators, appropriate \$160,-000.00 transferred from Auditor Account No. 189.

2. Amend the bill by adding a new section immediately after section 7 to be known as section 8 and to read as follows:

"Sec. 8. That section 27, Legislative Bill 455, Seventy-third Session, Nebraska State Legislature, 1963, be amended to read as follows:

Sec. 27. DEPARTMENT OF ROADS

Appropriate from General Fund

- (1) Nebraska Safety Patrol, salaries, wages, maintenance, construction, and expense, including law enforcement, identification, maintaining radio operation, for patrolmen's retirement, Auditor Account No. 188, appropriate 5,063,584.00

Appropriate from Cash Funds, and
Federal Reimbursements

- (2) Highway Cash Fund, salaries and wages, including salary and expense of State Engineer and members of State Highway Commission; office maintenance; preparation of accident reports; road maintenance; road construction; operation of weighing stations; historical, archeological and paleontological salvage; undertaking construction of a general office building at 14th and Burnham Streets, Lincoln, Nebraska, appropriate for the purpose for which the money is or may be collected, all gasoline and use fuel tax funds that accrue from the gasoline and use fuel tax and that are not otherwise appropriated; state's share of motor vehicle registration fees; all intercounty bus license fees and all towing permit fees not otherwise appropriated; rentals from land and buildings acquired for highway purposes; all fines and penalties for violation of laws prohibiting the overloading of vehicles used upon the public roads and highways of this state; and all funds derived from nonresidents' trip permits, single trip permits, and special permits, miscellaneous income, money donated, or reimbursements, including federal road funds, reappropriate the unexpended balance on hand on the effective date of this act, in Auditor Account No. 189, then appropriate all receipts collected during the biennium, less transfers during the biennium of a total sum of \$300,000.00 to Auditor Account No. 190, and \$160,000.00 to the Department of Motor Vehicles for salaries, wages and expenses for collecting fees from nonresident commercial motor vehicle operators, estimated 137,325,270.00

(3) For completion of highway sign shop adjacent to the maintenance office warehouse, shop on the site south of the State Penitentiary, for construction of a shop and office building at First and Superior Streets, Lincoln, Nebraska, a shop and office building at 108th and L Streets, Omaha, Nebraska, then transfer \$300,000.00 from Auditor Account No. 189, for the purpose of constructing buildings costing more than \$100,000.00 each and all incidental expense thereof, reappropriate the unexpended balance on hand on the effective date of this act, in Auditor Account No. 190, then appropriate all receipts collected, estimated

\$300,000.00

(4) Grade Crossing Protection Fund, to carry out the provisions of sections 75-219 to 75-219.02, and 75-221, Revised Statutes Supplement, 1961, and amendments thereto, reappropriate the unexpended balance on hand on the effective date of this act, in Auditor Account No. 191, then appropriate all receipts collected during the biennium, estimated

144,000.00

(5) State Recreation Road Fund, to carry out the provisions of Legislative Bill 469, Seventy-third Session, Nebraska State Legislature, 1963, transfer the unexpended balance on hand on the effective date of this act, and all receipts collected during the biennium in the Access Road Fund to the State Recreation Road Fund then appropriate all receipts collected during the biennium, no estimate.

(6) State Highway Urban Fund, to carry out the provisions of Legislative Bill 469, Seventy-third Session, Nebraska State Legislature, 1963, appropriate all receipts collected during the biennium, no estimate.”.

3. Amend the bill by renumbering original sections 8 to 12 as sections 9 to 13 respectively.

4. Amend renumbered section 11, line 2 by inserting “,27” after “26”.

5. Amend the title, line 2 by inserting “, 27” after “26”.

1. In section 6, after line 25, insert
 “(4) For carrying out the purposes of section 81-210,
Revised Statutes Supplement, 1961, as amended by sec-
tion 7, Legislative Bill 161, Seventy-third Session,
Nebraska State Legislature, 1963, in addition to the
amounts heretofore appropriated for such purpose,
 appropriate 20,000.00”.

1. Amend section 7 of the bill, lines 23, 24, and 27 by striking
 the new matter and line 27 by reinstating the stricken matter, by
 inserting after line 30 the following:

“(5) *Administrative costs, salaries, wages,*
and maintenance, and medical assistance for the aged,
as provided in Legislative Bill 100, Seventy-third Ses-
sion, Nebraska State Legislature, 1963, for the period
from January 1, 1964 until November 1, 1964, appro-
propriate \$416,250.00”.

after line 53 by inserting the following:

“Appropriate from Medical Care for the Aged
 Fund—Special Levy

(9) *Medical assistance for the aged, includ-*
ing administrative costs, salaries, wages, and maintenance,
from the Medical Care for the Aged Fund, for the period
from November 1, 1964, to June 30, 1965, appropriate \$900,000.00”.
 line 32 strike the new matter and reinstate the old matter, line 36
 strike “(6)” and insert “(7)”, line 43 strike “7” and insert “(7;
 (8)”, line 55 strike “(8)” and insert “(9)”, line 61 strike “(9)”
 and insert “(10)”, and line 67 strike “(10)” and insert “(11)”.

(Signed) Richard D. Marvel, Chairman

Announcement

Mr. Marvel announced that mimeographed copies of the amend-
 ments to LB 7 would be placed on the members' desks this
 afternoon.

UNANIMOUS CONSENT—Hold Committee Meetings

Mr. Adamson requested unanimous consent to have the Interim
 Study Committee on Legislative Processes meet on Thursday, Nov-
 ember 7, 1963, at 1:30 p.m.

No objections. So ordered.

Mr. Craft requested unanimous consent to have the Interim Study Committee on Road Classification meet Thursday, November 7, 1963, at 1:30 p.m.

No objections. So ordered.

UNANIMOUS CONSENT—Members excused

Mr. Kjar requested unanimous consent to have the Banking, Commerce and Insurance Committee members excused for a meeting in the West Senate Lounge.

No objections. So ordered.

STANDING COMMITTEE REPORT

Judiciary

LEGISLATIVE BILL 9. Placed on General File as amended.

Standing Committee amendments to LB 9:

Strike the new matter on Page 2, Lines 30, 31, and 32 and substitute in lieu thereof: “; provided, however, the Legislature shall have authority to classify loans and lenders, license and regulate lenders, define interest and fix maximum rates of interest, but in the absence of legislation fixing maximum rates of interest all contracts for a greater rate of interest than nine per cent (9%) per annum shall be deemed usurious.”

Strike the language on Page 3, Section 2, Lines 6 through 10, and substitute in lieu thereof: “Constitutional amendment authorizing the Legislature to classify loans and lenders and fix maximum rates of interest.”

Amend the title to conform.

(Signed) Donald F. McGinley, Chairman

Adjournment

At 3:23 p.m., on a motion by Mr. Ruhnke, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

TWELFTH DAY

Legislative Chamber, Lincoln, Nebraska
Tuesday, November 5, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by Mr. Kremer.

The roll was called and all members were present except Mr. Craft who was excused until 9:20 a.m.

Corrections for the Journal

Page 65, line 20, delete "insering" and add "inserting".

Page 67, line 31, correct the spelling of "Recreation".

Page 68, line 12, add quotation mark before (5).

The Journal for the Eleventh Day was approved as corrected.

STANDING COMMITTEE REPORTS**Enrollment and Review**

LEGISLATIVE BILL 4. Placed on Select File.

LEGISLATIVE BILL 1. Placed on Select File as amended.

E and R amendment to LB 1:

1. Amend the title of the bill, line 9 by inserting after "lands" the following:

"; to provide for damages; to provide for the procedure for condemnation proceedings; to provide for an award and the effect thereof".

(Signed) Eugene T. Mahoney, Chairman

Committee on Committees

November 5, 1963

Mr. President:

The Committee on Committees desires to report favorably upon the appointments listed below which were submitted by Governor Frank B. Morrison. The Committee suggests that the appointments be confirmed by this Legislative Body, and suggests a record vote on each confirmation.

To the State Employees Retirement Board:

Lowell Fisk, Lincoln
 Merle Humphries, Lincoln
 Jack M. Cleavenger, Lincoln
 Dean Irish, Albion

Respectfully submitted,

(Signed) George C. Gerdes
 George C. Gerdes, Chairman
 Committee on Committees

MOTION—Accept Report

Mr. President: I move that the report of the Committee on Committees be adopted and that each appointment be considered separately and by record vote. (Signed) George C. Gerdes

The motion prevailed. The report was adopted.

Vote on Mr. Fisk

Voting in the affirmative, 29:

Adamson	Fleming	Nelson	Russillo
Bahensky	Foster	Orme	Stalder
Bowen	Gerdes	Payne	Stryker
Brandt	Kremer	Rasmussen, E.	Syas
Bridenbaugh	Marvel	Rasmussen, R.	Thompson
Claussen	McGinley	Reeves	Warner
Damrow	Moulton	Ruhnke	Wylie
Danner			

Voting in the negative, 2:

Carpenter Klaver

Not voting, 12:

Burbach	Forrester	Hasebroock	Mahoney
Craft	Gerhart	Kjar	Skarda
Erlewine	Gottschalk	Lysinger	Stromer

Having received a majority of the votes of all members, the President declared the appointment of Mr. Fisk confirmed.

Vote on Mr. Humphries

Voting in the affirmative, 29:

Adamson	Fleming	Nelson	Russillo
Bahensky	Foster	Orme	Stalder
Bowen	Gerdes	Payne	Stryker
Brandt	Kremer	Rasmussen, E.	Syas
Bridenbaugh	Marvel	Rasmussen, R.	Thompson
Claussen	McGinley	Reeves	Warner
Damrow	Moulton	Ruhnke	Wylie
Danner			

Voting in the negative, 2:

Carpenter	Klaver
-----------	--------

Not voting, 12:

Burbach	Forrester	Hasebroock	Mahoney
Craft	Gerhart	Kjar	Skarda
Erlewine	Gottschalk	Lysinger	Stromer

Having received a majority of the votes of all members, the President declared the appointment of Mr. Humphries confirmed.

Vote on Mr. Cleavenger

Voting in the affirmative, 29:

Adamson	Fleming	Nelson	Russillo
Bahensky	Foster	Orme	Stalder
Bowen	Gerdes	Payne	Stryker
Brandt	Kremer	Rasmussen, E.	Syas
Bridenbaugh	Marvel	Rasmussen, R.	Thompson
Burbach	McGinley	Reeves	Warner
Claussen	Moulton	Ruhnke	Wylie
Damrow			

Voting in the negative, 2:

Carpenter	Klaver
-----------	--------

Not voting, 12:

Craft	Forrester	Hasebroock	Mahoney
Danner	Gerhart	Kjar	Skarda
Erlewine	Gottschalk	Lysinger	Stromer

Having received a majority of the votes of all members, the President declared the appointment of Mr. Cleavenger confirmed.

Vote on Mr. Irish

Voting in the affirmative, 30:

Adamson	Danner	Nelson	Russillo
Bahensky	Fleming	Orme	Stalder
Bowen	Foster	Payne	Stryker
Brandt	Gerdes	Rasmussen, E.	Syas
Bridenbaugh	Kremer	Rasmussen, R.	Thompson
Burbach	Marvel	Reeves	Warner
Claussen	McGinley	Ruhnke	Wyllie
Damrow	Moulton		

Voting in the negative, 2:

Carpenter	Klaver
-----------	--------

Not voting, 11:

Craft	Gerhart	Kjar	Skarda
Erlewine	Gottschalk	Lysinger	Stromer
Forrester	Hasebroock	Mahoney	

Having received a majority of the votes of all members, the President declared the appointment of Mr. Irish confirmed.

Announcement

Mr. Bowen announced that a pamphlet on current interest statutes was being put on the members' desks at his request.

SELECT FILE

LEGISLATIVE BILL 8. Advanced to E and R for engrossment.

Suspend Rules—Unlimited Debate

Mr. President: I move that for the rest of this Special Session that debate be unlimited in the manner of time in the consideration of all bills on General File.

(Signed) Terry Carpenter

Mr. Carpenter asked for a record vote.

Voting in the affirmative, 9:

Bahensky	Claussen	Mahoney	Orme
Bowen	Klaver	Moulton	Skarda
Carpenter			

Voting in the negative, 29:

Adamson	Forrester	McGinley	Stalder
Brandt	Foster	Nelson	Stromer
Bridenbaugh	Gerdes	Rasmussen, E.	Stryker
Burbach	Gerhart	Rasmussen, R.	Syas
Craft	Hasebroock	Reeves	Thompson
Damrow	Kjar	Ruhnke	Warner
Erlewine	Marvel	Russillo	Wylie
Fleming			

Not voting, 5:

Danner	Kremer	Lysinger	Payne
Gottschalk			

The motion lost.

UNANIMOUS CONSENT—Bills on General File

Mr. Carpenter asked unanimous consent to pass over LB 16, LB 17, LB 18 and LB 19 on General File at this time. No objections. So ordered.

GENERAL FILE

LEGISLATIVE BILL 15. Read and considered.

Advanced to E and R for review with 36 ayes, 0 nays and 7 not voting.

LEGISLATIVE BILL 7. Laid over temporarily at the request of Mr. Skarda.

LEGISLATIVE BILL 20. Read and considered.

Standing Committee amendment found in the Legislative Journal for the Eleventh Day was adopted.

Advanced to E and R for review with 36 ayes, 0 nays and 7 not voting.

Visitors

Mr. E. Rasmussen introduced Richard Dudley, Principal, 4 sponsors, Glenn Colson, teacher, and 60 students from the Crete Junior High School.

Mr. Stryker introduced Amalie Rerucha, teacher, two mothers and 9 students from District 83, Saunders County.

LEGISLATIVE BILL 23. Laid over at the request of Mr. Carpenter.

LEGISLATIVE BILL 9. Mr. Russillo requested unanimous consent to hold LB 9 until all other bills pertaining to interest are disposed of.

So ordered.

LEGISLATIVE BILL 7. Mr. Carpenter requested unanimous consent to dispense with the reading of the bill and let the introducer explain the bill section by section.

No objections. So ordered.

Member Excused

Mr. Bowen asked to be excused at 10:30 a.m.

Mr. Marvel requested unanimous consent to add "Upon Recommendation of the Governor" to LB 7.

No objections. So ordered.

Speaker Moulton Presiding

Mr. Craft moved to strike paragraph 15 A, Section 13, lines 104 to 110 inclusive.

The motion lost with 9 ayes, 30 nays and 4 not voting.

President Burney Presiding

Standing Committee amendment to section 3 found in the Legislative Journal for the Eleventh Day was adopted.

Standing Committee amendment to section 4 found in the Legislative Journal for the Eleventh Day was adopted.

Standing Committee amendment to section 8 found in the Legislative Journal for the Eleventh Day was adopted.

Standing Committee amendment to section 5 found in the Legislative Journal for the Eleventh Day was adopted.

Mr. Marvel offered the following amendment to the Standing Committee amendment to section 6, found in the Legislative Journal for the Eleventh Day, which was adopted:

1. Amend line 2 by striking "81-210 and insert "83-210".

Standing Committee amendment to section 6, adopted as amended by the Marvel amendment.

Standing Committee amendment to section 7 found in the Legislative Journal for the Eleventh Day was adopted.

Standing Committee amendment to section 8 found in the Legislative Journal for the Eleventh Day was adopted.

Advanced to E and R for review with 41 ayes, 0 nays and 2 not voting.

Recess

At 12:09 p.m., on a motion by Mr. Stryker, the Legislature recessed until 1:30 p.m.

After Recess

The Legislature reconvened at 1:30 p.m., President Burney presiding.

The roll was called and all members were present except Mr. Bowen, who was excused.

STANDING COMMITTEE REPORT

Banking, Commerce and Insurance

LEGISLATIVE BILL 14. Indefinitely postponed.

LEGISLATIVE BILL 22. Indefinitely postponed.

LEGISLATIVE BILL 25. Indefinitely postponed.

UNANIMOUS CONSENT—Change of Hearing Date

Mr. Craft requested unanimous consent to change the hearing date of the Interim Study Committee on Road Classification meeting from Thursday, November 7, 1963, to Tuesday, November 12, 1963, at 1:30 p.m.

No objections. So ordered.

Visitors

Mr. Bridenbaugh introduced Glen Stewart, teacher, and the Senior Class of six members from Rosalie, Nebraska.

Speaker Moulton Presiding**GENERAL FILE**

LEGISLATIVE BILL 16. Read and considered.

Advanced to E and R for review with 32 ayes, 4 nays and 7 not voting.

Visitors

Mr. Lysinger introduced his nephew, Jerry Lysinger, from Grand Island, Nebraska, who is a student at the University of Nebraska.

Mr. McGinley introduced his wife, Mrs. Don McGinley and Mrs. Vera Harrington from Ogallala, Nebraska.

UNANIMOUS CONSENT—Reconsider Action on LB 16

Mr. Stryker asked unanimous consent to return LB 16 to General File for reconsideration. No objections. So ordered.

Mr. Stryker offered the following amendment which was adopted:

Sec. 7, line 5, by striking "*either*" and "*or after*".

Mr. Ruhnke offered the following amendment which was adopted:

Amend the title of LB 16 as follows:

1. Amend line 38 by striking "*or after*".

Advanced to E and R for review by 34 ayes, 2 nays and 7 not voting.

LEGISLATIVE BILL 17. Mr. Carpenter asked to dispense with the reading of the bill and read only the new and stricken matter. Motion carried.

Announcement

Mr. Srb announced that under the Rules of the Legislature the debate must be recorded and that the recording machine was not working at this time.

Ease

Mr. Carpenter asked that the Legislature be at ease until such time as the recording machine could be repaired. The motion carried and the Legislature was at ease from 3:19 p.m. to 3:26 p.m.

President Burney Presiding**Member Excused**

Mr. Bridenbaugh asked to be excused for the rest of the day.

LEGISLATIVE BILL 17. Mr. Ruhnke offered the following amendment which was adopted:

1. Amend Sec. 5, line 10, by striking the words "either" and "or after" and amend the title to conform.

Standing Committee amendment 1 found in the Legislative Journal for the Eleventh Day was adopted.

Mr. Carpenter offered the following amendment:

1. On Page 7, Section 1, Line 184, after the word "forfeit" add "and refund".

Mr. Carpenter asked for a record vote.

Voting in the affirmative, 36:

Adamson	Fleming	Lysinger	Ruhnke
Bahensky	Foster	Mahoney	Russillo
Brandt	Gerdes	Marvel	Skarda
Burbach	Gerhart	McGinley	Stalder
Carpenter	Gottschalk	Moulton	Stromer
Claussen	Hasebroock	Orme	Stryker
Craft	Kjar	Payne	Syas
Damrow	Klaver	Rasmussen, R.	Warner
Danner	Kremer	Reeves	Wylie

Voting in the negative, 2:

Bowen Rasmussen, E.

Not voting, 5:

Bridenbaugh	Forrester	Nelson	Thompson
Erlewine			

The amendment was adopted.

Standing Committee amendments 2, 3, and 4 found in the Legislative Journal for the Eleventh Day were adopted.

Mr. Carpenter offered the following amendments which were adopted:

2. On Page 9, Section 2, Line 68, after the word "*forfeit*" add "*and refund*".

3. In Section 3, Page 9, Line 9, after the word "*forfeit*" add "*and refund*".

4. In Section 4, Line 8, Page 10, after the word "*forfeited*" add "*and refund*".

Advanced to E and R for review as amended with 26 ayes, 10 nays and 7 not voting.

LEGISLATIVE BILL 18. Read and considered.

Mr. Russillo offered the following amendment which was adopted:

1. Amend Section 1, line 13 by inserting "*and refund*" after the word "*forfeit*".

Mr. Stryker offered the following amendment which was adopted:

1. Amend Sec. 2, Line 5, by striking "*either*" and "*or after.*"
2. Amend the title to conform.

Advanced to E and R for review with 29 ayes, 6 nays and 8 not voting.

Mr. Stryker offered the following amendment to LB 19:

1. Amend the Standing Committee amendment to Sec. 3, line 3, found in the Legislative Journal for the Eleventh Day by striking "*or after*".

2. Amend title to conform.

The Stryker amendment is pending.

Announcement

Mr. Kjar announced that the Banking, Commerce and Insurance Committee would meet immediately after adjournment in the West Senate Lounge.

Member Excused

Mr. Foster asked to be excused for tomorrow, November 6, 1963.

Adjournment

At 4:14 p.m., on a motion by Mr. Russillo, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

THIRTEENTH DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, November 6, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Mr. Foster who was excused and Mr. McGinley who was excused until 10:30 a.m.

Corrections for the Journal

Page 76, lines 10 and 11, insert "found in the Legislative Journal for the Eleventh Day" after the comma.

Page 78, line 17, show "and" as scored.

Page 79, after line 22, insert "Legislative Bill 19. Read and considered."

Page 79, line 26, show "or after" as scored.

The Journal for the Twelfth Day was approved as corrected.

MOTION—Approval of LB 4, LB 7, LB 15 and LB 20

Mr. President: I move LB 4, 7, 15 and 20 be submitted to the Legislative Fiscal Staff, the Bill Drafter, E and R Staff, Auditor's Office, Attorney General's Office, and each department affected by the new provisions of each bill for their approval.

This action is respectfully requested before these bills are considered on Final Reading.

(Signed) Richard D. Marvel

The motion prevailed with 36 ayes, 2 nays and 5 not voting.

MOTION—Recess

Mr. President: I move that when we adjourn Friday, November 8th, we recess until Monday, November 18th at 9:00 a.m.

(Signed) Elvin Adamson

Mr. Brandt moved to have a qualified person give an explanation of the Banking, Commerce and Insurance bills before the recess.

Mr. Ruhnke requested unanimous consent to hold Mr. Adamson's and Mr. Brandt's motions in abeyance.

Objection by Mr. Adamson.

Visitors

Mr. Stalder introduced 44 8th grade students, Virgil C. Blumhorst and Don Babcock, teachers, from Tecumseh Public Schools.

Mr. Payne introduced the American History Class and Stanley Huskey, Superintendent from Murdock School.

Mr. Warner introduced 23 pupils from Malcolm High School.

Mr. E. Rasmussen moved the previous question. The motion prevailed with 32 ayes, 3 nays and 8 not voting.

Visitors

Mr. Stromer introduced 3rd and 4th grade students, Mrs. Duane Grasz, teacher, Mrs. Bauers and Mrs. Schenk, mothers, from the Trinity Lutheran School.

Mr. Brandt withdrew his motion.

The Adamson motion lost with 19 ayes, 22 nays and 2 not voting.

STANDING COMMITTEE REPORT

Banking, Commerce and Insurance

LEGISLATIVE BILL 11. Placed on General File as amended.

1. Amend the bill by adding two new sections to be known as sections 1 and 2 and to read as follows:

"Section 1. That section 21-1714, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1714. A credit union shall have power to (a) make contracts; (b) sue and be sued; (c) adopt and use a common seal and alter the same at pleasure; (d) purchase, hold and dispose of property necessary and incidental to its operations; (e) receive from its members payments on shares, including the right to conduct Christmas clubs, vacation clubs and other such thrift organizations within the membership; (f) lend its funds to its members for provident or productive purposes at rates of interest of not to exceed twelve per cent per annum on the unpaid balance of the

loan that permitted by section 45-101, or by sections 45-114 to 45-155 if the credit union is licensed under the provisions of such sections, or less, as determined by the board of directors of the credit union; (g) borrow from any source in an aggregate amount not exceeding forty per cent of its paid-in and outstanding shares; (h) invest its funds in (1) loans to members, (2) obligations of or securities fully guaranteed as to principal and interest by the United States of America, bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, bonds of states, local and municipal governments or in other securities approved by the Department of Banking, (3) the shares or accounts of savings and loan associations to the extent that such shares or accounts are guaranteed by the Federal Savings and Loan Insurance Corporation, and (4) the shares of or loans to other credit unions organized in this state, either under the laws of this state or under the Federal Credit Union Act; *Provided*, no credit union organized under sections 21-1701 to 21-1757 shall invest in the shares of other credit unions more than fifteen per cent of the sum of its share balances; *and provided further*, no such credit union shall have an aggregate of loans from any source and shares issued to other credit unions in an amount in excess of forty per cent of its paid-in and outstanding shares; (i) make deposits in national, state and mutual savings banks operating in accordance with the laws of the United States or the State of Nebraska; (j) insure the loans made by the credit union to members and share balances of members in the credit union; and (k) have and exercise such incidental powers as shall be necessary or convenient to enable it to effectively carry on its activities.

Sec. 2. Should any contract of loan be made in violation of section 21-1714, or any contract of installment loan be made in violation of section 45-101 or 45-102, either knowingly, or without the exercise of due care to prevent the same, any interest contracted for on such loan shall be void and uncollectible. In addition, the obligation for principal under the contract is invalidated and void to the extent of an amount equal to the total amount of interest contracted for."

2. Amend the bill by renumbering original sections 1 and 2 as sections 3 and 4 respectively.

3. Amend renumbered section 3, line 1 by striking "Section" and inserting "Sec."; line 6 by reinstating the stricken matter and striking the new matter; lines 11 and 12 by reinstating the stricken matter; and line 15 by inserting after "45-155" the following: "*nor to any installment loan or forbearance of money or goods where a*

rate of interest, not exceeding twelve dollars per year upon one hundred dollars, may be agreed upon on any loan repayable within a period of sixty months in approximately equal or declining periodic installments of one month or less, which loans are unsecured or where the lender takes in return as the only security a chattel mortgage, conditional sales contract, or pledge of chattels of any kind, the rate of interest to be computed on the outstanding principal balances for the time actually outstanding, which interest shall not be compounded and shall not be taken in advance but for the purpose of determining the amount of installment payments, the anticipated total interest may be computed and stated as a separate item in the contract."

4. Amend renumbered section 4, line 8 by reinstating the stricken matter and by striking the new matter; lines 11 and 12 by reinstating the stricken matter; and in line 15 after "45-155" insert "nor to any installment loan or forbearance of money or goods as provided in section 45-101."

5. Amend the bill by adding two new sections to be known as sections 5 and 6 and to read as follows:

"Sec. 5. When an installment loan is made pursuant to section 45-101 and the borrower's source of income is irregular, then, in order to facilitate payment in accordance with the borrower's source of income, the payment schedule may reduce or omit installment payments over any period or periods, totaling not more than six months, if the other payments are increased in such a manner that they will be substantially equal or declining in amount and sufficient in the aggregate to retire the loan within the period of sixty months.

Sec. 6. That section 45-105, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

45-105. If a greater rate of interest than is allowed in section 45-101 shall be contracted for or received or reserved, the contract shall not on that account be void, but if in any action on such contract, proof be made that illegal interest has been directly or indirectly contracted for, or taken, or reserved, the plaintiff shall recover only the principal, without interest, and the defendant shall recover costs; and if interest shall have been paid thereon, judgment shall be for the principal, deducting interest paid; *Provided*, the acts and dealings of an agent in loaning money shall bind the principal, and in all cases where there is illegal interest by the transaction of the agent, the principal will be held thereby as if he had done the same in person; and *provided further*, the penalty provided in this section shall not apply to any loan made under subsection (4) of section 8-319 nor, to loans made by any

licensees or permittees operating under a license or permit issued by the Department of Banking pursuant to sections 45-114 to 45-155, nor to any installment loan or forbearance of money or goods where a rate of interest, not exceeding twelve dollars per year upon one hundred dollars, may be agreed upon. Where the same person acts as agent for the borrower who obtains the money from the lender, he shall be deemed to be the agent of the lender also."

6. Amend the bill by renumbering original section 3 as section 7.

7. Amend renumbered section 7 of the bill by striking lines 15 and 16 and inserting the following: "*made by a person who is not a licensee on which the interest does not exceed nine per cent per annum that permitted by sections 45-101 and 45-102 and*", in line 18 strike "*made by a person who is not a licensee*" and show the same as stricken matter, and in lines 19 and 20 by striking "*twelve per cent per annum*" and inserting "*per cent per annum that permitted by sections 45-101 and 45-102*".

8. Amend the bill by adding a new section immediately after renumbered section 7 to be known as section 8 and to read as follows:

"Sec. 8. That section 45-117, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

45-117. Any person who desires to obtain an original license to engage in the business of lending money under the terms and conditions of sections 45-114 to 45-155 shall apply therefor under oath, on forms prescribed by the Department of Banking, to the department, and shall pay an original license fee in the sum of one hundred dollars, and, if the application is approved, a license as herein provided shall be issued. If such application is not approved, the department shall return to the applicant said sum of one hundred dollars less any part of the investigation, inspection and publication costs provided for by section 45-118, which shall not have been paid by the applicant. *It is the intention of the Legislature in order to make uniform the laws pertaining to the lending of money pursuant to licenses issued by the Department of Banking that licensees or permittees operating under a license or permit duly issued by the Department of Banking pursuant to sections 8-401 to 8-417, sections 8-801 to 8-814, or 21-1701 to 21-1753 be granted licenses under the provisions of this section without the necessity of investigation, inspection and publication and without notice, hearing or a finding in accordance with section 45-120. Any licensee or permittee operating under a license or permit duly issued by the Department of Banking pursuant to sections 8-401 to 8-417, sections 8-801 to 8-814 or sections 21-1701 to 21-1753 may*

apply to the Department of Banking for a license to engage in the business of lending money under the terms and conditions of sections 45-114 to 45-155 and which license shall be granted."

9. Amend the bill by renumbering original sections 4 and 5 as sections 9 and 10 respectively.

10. Amend renumbered section 9 of the bill by reinstating the stricken matter and striking the new matter in lines 10, 12, and 13.

11. Amend the bill by renumbering original section 6 as section 11.

12. Amend renumbered section 11 of the bill, line 2, by inserting after the word "interest" the following: *"per annum expressed as an annual rate and shall disclose the basis of computation; Provided, that reasonable variances from the statement of basic rate may be allowed because of methods of computation"*.

13. Amend the bill by adding immediately after renumbered section 11, a new section to be known as section 12 and to read as follows:

"Sec. 12. If any section of this act or any part of any section shall be declared invalid or unconstitutional, such declaration of invalidity shall not affect the validity of the remaining portions thereof."

14. Amend the bill by renumbering original sections 7 and 8 as sections 13 and 14 respectively.

15. Amend the bill, renumbered section 13, line 1, by striking "section 45-138" and inserting "sections 21-1714, 45-105, 45-117, and 45-138"; line 10, by striking "and"; and in line 10, by inserting "and 45-155," after the second comma.

LEGISLATIVE BILL 24. Placed on General File.

(Signed) Albert A. Kjar, Chairman

Announcement

Mr. Gerdes announced that the Committee on Committees is to meet at 1:00 p.m. today to consider appointments.

SELECT FILE

LEGISLATIVE BILL 4. Advanced to E and R for engrossment.

GENERAL FILE**LEGISLATIVE BILL 19.**

Mr. Stryker withdrew his pending amendment to LB 19 found in the Legislative Journal for the Twelfth Day.

Mr. Carpenter asked unanimous consent to hold LB 19 until Mr. Kjar's report is on the desks. No objections. So ordered.

LEGISLATIVE BILL 23. Read.**Mr. Stryker Presiding**

The Standing Committee amendment to section 1, found in the Legislative Journal for the Eleventh Day, was adopted.

Mr. Stromer offered the following amendments to section 1 which were adopted:

1. Amend section 1, subsection 21, line 146, after (c) insert (4) and in line 146 strike "and" and insert "or".
2. Amend section 1, subsection 22, line 165, by inserting "annually on May 1" at the end of the line.

President Burney Presiding

Mr. Carpenter offered the following amendment to section 1:

1. Amend section 1, Line 148, after "operation," insert "which is exempted from payment of federal income taxes, as provided by section 501 (c) (4) (7) or (8), Internal Revenue Code of 1954".

Mr. Carpenter asked for a record vote.

Mr. Carpenter requested a Call of the House. A Call of the House was ordered and showed 33 members present.

Mr. Carpenter moved that the Call be raised. The motion prevailed with 36 ayes, 0 nays and 7 not voting.

Voting in the affirmative, 19:

Brandt	Forrester	Mahoney	Stalder
Bridenbaugh	Gerhart	McGinley	Stromer
Carpenter	Kjar	Nelson	Stryker
Craft	Klaver	Orme	Syas
Damrow	Kremer	Reeves	

Voting in the negative, 20:

Adamson	Danner	Lysinger	Ruhnke
Bahensky	Erlewine	Marvel	Russillo
Bowen	Fleming	Moulton	Thompson
Burbach	Gerdes	Rasmussen, E.	Warner
Claussen	Hasebroock	Rasmussen, R.	Wylie

Not voting, 4:

Foster	Gottschalk	Payne	Skarda
--------	------------	-------	--------

The motion to adopt the Carpenter amendment lost.

UNANIMOUS CONSENT—Executive Session

Mr. Marvel asked unanimous consent to allow the Budget Committee to meet in Executive Session after the afternoon session is completed. No objections. So ordered.

Recess

At 11:54 a.m., on a motion by Mr. Stryker, the Legislature recessed until 2:00 p.m.

After Recess

The Legislature reconvened at 2:00 p.m., President Burney presiding.

The roll was called and all members were present except Mr. Foster who was excused.

Ease

Mr. Brandt asked that the Legislature be at ease until the Committee members were present. So ordered and the Legislature was at ease from 2:04 p.m. until 2:07 p.m.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 15. Placed on Select File.

LEGISLATIVE BILL 20. Placed on Select File as amended.

E and R amendments to LB 20:

1. Amend section 1 of the bill, line 21 by inserting "*who is twenty-one years of age or older, but has not yet attained the age of sixty years, is sane, is not a public charge as a poor person or recipient of blind assistance, and is not excepted under subsection (3) of this section*" after "county".

2. Amend the title to the bill, line 6 by inserting "to provide for reimbursement to the General Fund as prescribed;" after the semicolon.

LEGISLATIVE BILL 16. Placed on Select File.

(Signed) Eugene T. Mahoney, Chairman

Banking, Commerce and Insurance

LEGISLATIVE BILL 13. Indefinitely postponed.

LEGISLATIVE BILL 26. Indefinitely postponed.

(Signed) Albert A. Kjar, Chairman

Enrollment and Review

LEGISLATIVE BILL 8. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

GENERAL FILE

LEGISLATIVE BILL 23. Mr. Skarda moved to reconsider action on the Carpenter amendment found in this day's Journal.

Mr. Carpenter asked for a Call of the House. A Call of the House was ordered and showed 40 members present.

Mr. Carpenter moved that the Call be raised. The motion prevailed with 35 ayes, 0 nays and 8 not voting.

Voting in the affirmative, 17:

Brandt	Klaver	Orme	Stromer
Bridenbaugh	Kremer	Reeves	Stryker
Carpenter	Mahoney	Skarda	Syas
Danner	Nelson	Stalder	Warner
Gerhart			

Voting in the negative, 20:

Adamson	Fleming	Kjar	Rasmussen, E.
Bahensky	Forrester	Lysinger	Rasmussen, R.
Bowen	Gerdes	Marvel	Ruhnke
Burbach	Gottschalk	Moulton	Russillo
Damrow	Hasebroock	Payne	Thompson

Not voting, 6:

Claussen	Erlewine	McGinley	Wylie
Craft	Foster		

The Skarda motion lost.

The Standing Committee amendment to section 3 found in the Legislative Journal for the Eleventh Day was adopted.

Speaker Moulton Presiding

MOTION—Print in Journal

Mr. President: I move that the opinion on LB 441, from the Attorney General's office, be read and then printed in the Journal.

(Signed) George C. Gerdes

The motion prevailed and the letter was read.

Mr. B. H. G. Eiting
Director
Department of Motor Vehicles
State Capitol
Lincoln, Nebraska

Dear Mr. Eiting:

You have requested our advice as to whether you have authority, without further enabling legislation, to delegate various private individuals (not regular employees of your department) to perform the functions of issuing licenses and permits and collecting fees therefor, pursuant to the provisions of Section 60-305.02.

It is the responsibility of your office to issue such licenses and permits and collect fees therefor. By Section 60-1503, you are given the authority to employ such personnel as may be necessary to carry out the duties of your office. In our opinion, it is within your authority to employ, with or without compensation, private individuals who are not regular full time employees of the department, to perform the functions above mentioned.

Should you elect to inaugurate such a practice, it is our suggestion that you should promulgate and adopt rather extensive administrative rules and regulations governing the activities of such employees. We recommend that such rules and regulations should include provision for the following matters: 1. That all fees collected be remitted weekly to the department, upon a standard form. 2. That complete and accurate records of all licenses and permits issued and fees collected be kept and preserved for a period of two years; which records shall be subject to inspection by the department, or its authorized representatives at all times. 3. That a surety indemnity bond be given in an amount equivalent to at least one

and one-half times the amount of funds which each individual might handle during intervals between remittances.

Very truly yours,

CLARENCE A. H. MEYER

Attorney General

(Signed) C. C. Sheldon

C. C. Sheldon

Assistant Attorney General

CCS:mk

Adjournment

At 3:40 p.m., on a motion by Mr. Marvel, the Legislature adjourned.

Hugo F. Srb

Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

FOURTEENTH DAY

Legislative Chamber, Lincoln, Nebraska

Thursday, November 7, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Mr. Foster who was excused.

Corrections for the Journal

Page 81, line 14, strike "Twelfth" and insert "Eleventh".

Page 89, line 33, strike "8" and insert "6".

The Journal for the Thirteenth Day was approved as corrected.

STANDING COMMITTEE REPORT**Committee on Committees**

November 6, 1963

Mr. President:

The Committee on Committees desires to report favorably upon the appointments listed below which were submitted by Governor Frank B. Morrison. The Committee suggests that the appointments be confirmed by this Legislative Body, and suggests a record vote on each confirmation.

To the Nebraska Educational Television Commission:

Joseph Maresh, Dodge
Mrs. Maurice Frank, Omaha
Dr. Steven N. Watkins, Lincoln
Robert Minnick, Alliance
Dr. Theron B. Maxson, Hastings
J. Arthur Danielson, Lincoln

To the State Employees Retirement Board:

Hodge Jones, Omaha

To the Board of Educational Lands and Funds:

J. J. DeLay, Norfolk

To the State Board of Health:

Dr. Loyal Payne, Lincoln
Charles F. Fowler, Lincoln

To the Nebraska Oil and Gas Conservation Commission:

Ray L. Smith, Chappell

Respectfully submitted,
(Signed) George C. Gerdes
George C. Gerdes, Chairman

MOTION—Accept Report

Mr. President: I move that the report of the Committee on Committees be adopted, and that each appointment be confirmed separately and by record vote.

(Signed) George C. Gerdes

UNANIMOUS CONSENT—Hold Report

Mr. President: I request unanimous consent to hold the Committee on Committees report until the first day we meet next week.

(Signed) George Syas

No objections. So ordered.

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 3. With emergency.

A BILL FOR AN ACT relating to Game, Forestation and Parks Commission; to provide for assignment of an option to purchase real estate as described to The Board of Regents of The University of Nebraska; to provide for the execution and delivery of such assignment; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 34:

Adamson	Erlewine	Mahoney	Skarda
Bahensky	Fleming	Marvel	Stalder
Bowen	Forrester	Moulton	Stromer
Bridenbaugh	Gerdes	Nelson	Stryker
Carpenter	Gerhart	Orme	Syas
Claussen	Hasebroock	Payne	Thompson
Craft	Klaver	Rasmussen, R.	Warner
Damrow	Kremer	Reeves	Wylie
Danner	Lysinger		

Voting in the negative, 0.

Not voting, 9:

Brandt	Gottschalk	McGinley	Ruhnke
Burbach	Kjar	Rasmussen, E.	Russillo
Foster			

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

SELECT FILE

LEGISLATIVE BILL 1. E and R amendment found in the Legislative Journal for the Twelfth Day was adopted.

Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Consider LB 15, 20 and 16

Mr. Mahoney requested unanimous consent to take up LB 15, LB 20 and LB 16 on Select File at this time.

Mr. Brandt requested unanimous consent to hold LB 16 on Select File. No objections. So ordered. LB 16 was removed from the Mahoney request.

LEGISLATIVE BILL 15. Advanced to E and R for engrossment.

LEGISLATIVE BILL 20. E and R amendments found in the Legislative Journal for the Thirteenth Day were adopted.

Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Print in Journal

Mr. Danner read the following article and asked that it be printed in the Journal.

No objections. So ordered.

**WEST VIRGINIA DOCTORS COLLECT \$2 MILLION
FOR TREATING WELFARE PATIENTS**

Charleston, W. Va.

West Virginia doctors, who with their counter-parts in other states decry "socialized" medical care, collected more than \$2 million in state and federal funds last year for treating patients too poor to pay.

One physician, the Charleston Gazette reported, received \$44,391 in state payments—presumably in addition to the fees he received from non-charity patients. Another doctor managed to see enough charity patients to bill the state for \$40,596. Three other physicians collected more than \$25,000 each. All told, 76 doctors were paid more than \$5,000 each for treating indigent patients during the year.

The problem isn't a new one. Poverty-hit West Virginia tried to correct abuses which were draining its medical assistance—for-the-aged funds more than a year ago by cutting the schedule of fees to doctors and trying to put a stop to bill-padding abuses—such as the doctor who prescribed so many medicines that one patient would have had to take 143 pills daily to follow the doctor's orders.

The result was a short-lived-and successful—"strike" by doctors who refused to participate further in the program unless their full fees were restored.

An angry West Virginia newspaper columnist, Thomas F. Stafford of the Gazette, wrote recently that "while doctors" gasp publicly at the mere mention of government intervention in their professional activities, no single group in America has a more ravenous appetite when it gets to the public trough."

Stafford suggests that unless tighter controls are put on payments to doctors, "they will soon own the gold on the statehouse dome. When a single doctor is paid for an average of 36 visits from welfare patients a day, and collects many thousands of dollars in fees, it is time for new regulatory measures.

He closes with the suggestion that the medical profession stop "crying wolf" and "start policing the abuses which are slowly destroying its public image."

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 4. Correctly engrossed.

LEGISLATIVE BILL 7. Placed on Select File as amended.

E and R amendments to LB 7:

1. In Standing Committee Amendment 1 to original section 7, adopted November 5, 1963, line 19, strike "(9)" and insert "(10)", line 20 strike "(10)" and insert "(11)", and line 21 strike "(11)" and insert "(12)".

2. Strike section 4 and all amendments thereto; renumber original sections 5 to 7 as sections 4 to 6 respectively.

3. In Standing Committee Amendment 2, adopted November 5, 1963, adding a new section to be known as section 8, line 2 strike "section 7" and insert "renumbered section 6"; lines 2 and 4 strike "8" and insert "7".

4. Strike Standing Committee Amendment 3, adopted November 5, 1963, renumbering original sections 8 to 12.

5. In renumbered section 5, renumber subsections (4) to (12) as subsections (5) to (13) respectively.

6. Standing Committee Amendment 1, adopted November 5, 1963, adding a new subsection (4) to original section 6, line 7, insert "*to Auditor Account No. 509*" after "appropriate".

LEGISLATIVE BILL 17. Placed on Select File as amended.

E and R amendments to LB 17:

1. In section 1, line 182, insert a stricken comma after "interest" as in statutes.

2. Amend the title of the bill, lines 11 and 12, by striking "and to installment loans made after" and insert "made prior to".

LEGISLATIVE BILL 18. Placed on Select File as amended.

E and R amendment to LB 18:

1. Amend the title of the bill, lines 7 and 8, by striking "and to installment loans made after" and inserting "made prior to".

(Signed) Eugene T. Mahoney, Chairman

MOTION—Copies of LB 11

Mr. President: I move that the Committee be instructed to have LB 11, with Standing Committee amendments included, placed on members' desks. (Signed) Terry Carpenter

The motion prevailed.

Visitors

Mr. R. Rasmussen introduced 9 pupils and teacher, Mrs. Lucille Hue, from District 17, Dodge County.

Mr. Stromer introduced Mrs. Charlotte Dingman from Los Angeles, California.

Mr. Wylie introduced Jerome Henn.

GENERAL FILE**LEGISLATIVE BILL 23.**

Mr. Burbach offered the following amendment:

1. Amend Section 4, by inserting the following after the word "Sunday;," in line 20:

"Providing that the sale of alcoholic liquor, other than beer, may be authorized on Sunday between the hours of six o'clock A.M., and twelve o'clock midnight, by nonprofit corporation and bottle club licensees, by ordinance of the local governing body, or resolution of the county board, if the licensed premises are outside of the corporate limits".

Mr. Stromer offered the following amendment to the Burbach amendment:

1. Strike "by nonprofit corporation and" and insert "by a"

The Stromer amendment prevailed with 23 ayes, 14 nays and 6 not voting.

The Burbach amendment, as amended by the Stromer amendment, prevailed with 32 ayes, 2 nays and 9 not voting.

Visitor

Mr. Craft introduced Robert Brown, North Platte.

Mr. Stromer moved to reject the Standing Committee amendment 3 found in the Legislative Journal for the Eleventh Day.

The motion carried.

Mr. Reeves offered the following amendments:

2. Amend the bill by adding a new section immediately after section 2 to be known as section 3 and to read as follows:

"Sec. 3. That section 53-122, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, be amended to read as follows:

53-122. The commission may issue licenses for the sale of alcoholic liquors, except beer, by the drink, subject to all the terms and conditions of this act, in all cities and villages in this state and outside of cities and villages as provided in subdivision (5) G. of section 53-124 and section 53-127, except in those cases where it shall affirmatively appear that the issuance thereof will render null and void prior conveyances of land thereto for public uses and purposes by purchase, gift or devise under the conditions and in the manner hereinafter provided. If a sufficient petition shall be signed by the electors of any such city or village of such number as shall equal twenty per cent of the votes cast at the last general election held therein, which shall request that the question of licensing the sale of alcoholic liquors, except beer, therein by the drink be submitted to the electors thereof, at a special election to be called for that purpose, as hereinafter provided, and shall be presented to the municipal clerk of the governing body thereof, the municipal clerk shall cause to be published one time in a legal newspaper published in or of general circulation in such city or village a notice of a special election to be held not less than ten days nor more than twenty days from the date of such publication. The notice shall state therein the proposition to be submitted to the electors at such special election. The question of licensing the sale of such alcoholic liquors either by the drink or in the original package, or both by the drink and in the original package, as the case may be, may also be submitted at any general municipal election, except as otherwise provided in section 53-121, in any city or village in this state subject to the following conditions or procedure: Upon the filing with the municipal clerk of the governing body of such city or village of a petition signed by electors of such city or village of such number as shall equal twenty per cent of the votes cast at the last general election held therein, such proposition or propositions shall be submitted. Each sheet of each petition shall contain not more than thirty signatures of electors with their personal signatures, addresses, and the date of signatures, all in their own handwriting. If residing within a city where the electors are required to be registered, the signature shall be the same as it appears upon the registration records. At the top of each sheet shall be stated the proposition or propositions to be submitted and the date of the general municipal

election at which it is proposed to be submitted. No signature on such petition shall be valid unless appended to the petition within the last ninety days prior to the date of filing the petition with the governing body of the city or village. At the bottom of each sheet of such petition shall be the affidavit of the person who circulated same, stating that the signatures to the petition were made in his presence, that he has reasonable cause to believe that they are qualified electors of the particular city or village, and that they are the persons they represent themselves to be. Such petition shall be filed thirty days prior to the day of the general municipal election at which the proposition is to be submitted, and during such thirty-day period no signature shall be withdrawn and no signature shall be added. Whoever signs any proposal or petition contemplated under this section, knowing that he is not a qualified elector in the place where such proposal or petition is made, or who aids or abets any other person in doing any of the acts mentioned, or whoever bribes, gives or pays any money or thing of value to any person directly or indirectly, to induce him to sign such proposal or petition, shall upon conviction thereof be punished by a fine of not exceeding three hundred dollars or by imprisonment in the county jail not exceeding ninety days, or by both such fine and imprisonment, in the discretion of the court.

Upon the ballot either at the special election hereinbefore provided or at any general municipal election, the proposition or propositions shall be stated as follows:

Shall the sale of alcoholic liquors except beer by the drink be licensed in (here insert the name of the city or village)?

- ☐ For license to sell by drink.
- ☐ Against license to sell by drink.

Shall the sale of alcoholic liquors except beer by the package be licensed in (here insert the name of the city or village)?

- ☐ For license to sell by the package.
- ☐ Against license to sell by the package.

The provisions of the statutes of this state relating to election officers, voting places, election apparatus and blanks, preparation and form of ballots, information to voters, delivery of ballots, calling of elections, conduct of elections, manner of voting, counting of votes, records and certificates of elections, and recounts of votes, so far as applicable, shall apply to voting on the proposition or propositions under the provisions of this act; and a majority vote of those voting on the question shall be mandatory upon the commission.

The provisions of subdivisions (5) H. or (9) of section 53 124, shall not be subject to the provisions of this section."

3. Amend the bill by renumbering sections 3 to 6 as sections 4 to 7 respectively.

4. Amend renumbered section 6, line 1, by striking "section" and inserting "sections 53-122 and" and line 2 by striking the word "section" and inserting "sections 2 and".

Mr. Reeves asked for a record vote.

Voting in the affirmative, 11:

Bowen	Damrow	Gerhart	Reeves
Brandt	Erlewine	Kremer	Stalder
Bridenbaugh	Forrester	Nelson	

Voting in the negative, 25:

Adamson	Gerdes	Moulton	Skarda
Bahensky	Hasebroock	Orme	Stromer
Burbach	Kjar	Payne	Stryker
Carpenter	Klaver	Rasmussen, E.	Syas
Claussen	Mahoney	Rasmussen, R.	Warner
Craft	Marvel	Ruhnke	Wylie
Fleming			

Not voting, 7:

Danner	Gottschalk	McGinley	Thompson
Foster	Lysinger	Russillo	

The Reeves amendment lost.

Laid over temporarily.

Visitors

Mr. Stalder introduced Mr. Rober Ensler, Principal, Mr. Everett E. Davis, sponsor, Mrs. Helen Petersen, Mrs. S. Diftenson and 18 pupils from the Tecumseh High School American Government Class.

LEGISLATIVE BILL 24. Mr. Carpenter moved to take up at this time. Motion carried. Read and considered.

Advanced to E and R for review with 24 ayes, 10 nays and 9 not voting.

Speaker Moulton Presiding

Point of Order

Mr. Carpenter raised a point of order as to the sale of transcribed verbatim material.

Discussion. Laid over.

LEGISLATIVE BILL 23. Considered.

Messrs. Carpenter and Stromer offered the following amendment:

1. Amend the bill by adding two new sections immediately after section 1 to be known as sections 2 and 3 and to read as follows:

"Sec. 2. That section 53-122, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, be amended to read as follows:

53-122. The commission may issue licenses for the sale of alcoholic liquors, except beer, by the drink, subject to all the terms and conditions of this act, in all cities and villages in this state and outside of cities and villages as provided in subdivision (5) G. of section 53-124 and section 53-127, except in those cases where it shall affirmatively appear that the issuance thereof will render null and void prior conveyances of land thereto for public uses and purposes by purchase, gift or devise under the conditions and in the manner hereinafter provided. If a sufficient petition shall be signed by the electors of any such city or village of such number as shall equal twenty per cent of the votes cast at the last general election held therein, which shall request that the question of licensing the sale of alcoholic liquors, except beer, therein by the drink be submitted to the electors thereof, at a special election to be called for that purpose, as hereinafter provided, and shall be presented to the municipal clerk of the governing body thereof, the municipal clerk shall cause to be published one time in a legal newspaper published in or of general circulation in such city or village a notice of a special election to be held not less than ten days nor more than twenty days from the date of such publication. The notice shall state therein the proposition to be submitted to the electors at such special election. The question of licensing the sale of such alcoholic liquors either by the drink or in the original package, or both by the drink and in the original package, as the case may be, may also be submitted at any general municipal election, except as otherwise provided in section 53-121, in any city or village in this state subject to the following conditions or procedure: Upon the filing with the municipal clerk of the governing body of such city or village of a petition signed by electors of such city or village of such number as

shall equal twenty per cent of the votes cast at the last general election held therein, such proposition or propositions shall be submitted. Each sheet of each petition shall contain not more than thirty signatures of electors with their personal signatures, addresses, and the date of signatures, all in their own handwriting. If residing within a city where the electors are required to be registered, the signature shall be the same as it appears upon the registration records. At the top of each sheet shall be stated the proposition or propositions to be submitted and the date of the general municipal election at which it is proposed to be submitted. No signature on such petition shall be valid unless appended to the petition within the last ninety days prior to the date of filing the petition with the governing body of the city or village. At the bottom of each sheet of such petition shall be the affidavit of the person who circulated same, stating that the signatures to the petition were made in his presence, that he has reasonable cause to believe that they are qualified electors of the particular city or village, and that they are the persons they represent themselves to be. Such petition shall be filed thirty days prior to the day of the general municipal election at which the proposition is to be submitted, and during such thirty-day period no signature shall be withdrawn and no signature shall be added. Whoever signs any proposal or petition contemplated under this section, knowing that he is not a qualified elector in the place where such proposal or petition is made, or who aids or abets any other person in doing any of the acts mentioned, or whoever bribes, gives or pays any money or thing of value to any person directly or indirectly, to induce him to sign such proposal or petition, shall upon conviction thereof be punished by a fine of not exceeding three hundred dollars or by imprisonment in the county jail not exceeding ninety days, or by both such fine and imprisonment, in the discretion of the court.

Upon the ballot either at the special election hereinbefore provided or at any general municipal election, the proposition or propositions shall be stated as follows:

Shall the sale of alcoholic liquors except beer by the drink be licensed in (here insert the name of the city or village)?

- ☐ For license to sell by drink.
- ☐ Against license to sell by drink.

Shall the sale of alcoholic liquors except beer by the package be licensed in (here insert the name of the city or village)?

- ☐ For license to sell by the package.
- ☐ Against license to sell by the package.

The provisions of the statutes of this state relating to election officers, voting places, election apparatus and blanks, preparation

and form of ballots, information to voters, delivery of ballots, calling of elections, conduct of elections, manner of voting, counting of votes, records and certificates of elections, and recounts of votes, so far as applicable, shall apply to voting on the proposition or propositions under the provisions of this act; and a majority vote of those voting on the question shall be mandatory upon the commission.

The provisions of subdivisions (5) H. or (9) of section 53-124, shall not be subject to the provisions of this section but shall be subject to the provisions of section 3 of this act.”.

“Sec. 3. The question of licensing the sale of alcoholic liquors, other than beer, by bottle clubs or nonprofit corporations as defined in section 53-103, may be submitted at the general municipal or general election every two years in or without cities or villages. The proposal shall be submitted and voted upon in the same manner as the submission of the proposal to sell such alcoholic liquors by the drink as provided in section 53-122. The proposition or propositions shall be stated as follows:

Shall the sale of alcoholic liquors by the drink by bottle clubs, other than beer, be licensed in (here insert the name of the county, city, or village)?

☐ For

☐ Against

Shall the sale of alcoholic liquors by the drink by nonprofit corporations be licensed in (here insert the name of the county, city, or village)?

☐ For

☐ Against

The majority of those voting on the question shall be mandatory upon the commission insofar as licensing the sale of such liquors therein by bottle clubs or nonprofit corporations is concerned. In the absence of any vote on the question of approving or denying licensing the sale of alcoholic liquors in the county, city, or village by bottle clubs or nonprofit corporations as defined in section 53-103, the commission shall continue to issue licenses to sell alcoholic liquors by the drink by such bottle clubs and nonprofit corporations for periods of one year, subject to all the terms and conditions of this act.”.

2. Amend the bill by renumbering original sections 2 to 6 as sections 4 to 8 respectively.

3. Amend renumbered section 7, line 1 by striking “section” and inserting “sections 53-122 and”, and line 2 by striking “section” and inserting “sections 2 and”.

The Carpenter and Stromer amendment was adopted with 18 ayes, 15 nays and 10 not voting.

Mr. Burbach offered the following amendment which was adopted.

1. Amend Section 3 of the bill, line 120, by inserting after "section" the following:

"; Provided, that this provision shall not apply when the non-profit corporation shall be open for sale of alcoholic liquors, including beer, for consumption on the premises not more than two days in any week."

Laid over at Stromer request.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 1. Replaced on Select File as amended.

E and R amendment to LB 1:

1. Amend the title of the bill, line 2 by striking "section 72-222" and inserting "sections 72-222, 72-224.02, and 72-224.03, and line 10 by striking "section" and inserting "sections".

(Signed) Eugene T. Mahoney, Chairman

UNANIMOUS CONSENT—Take up LB 1

Mr. Mahoney requested unanimous consent to consider on Select File.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 1. E and R amendment found in today's Journal was adopted.

Advanced to E and R for engrossment.

MOTION—Reconsider Action on LB 26.

Mr. Bowen moved to place LB 26 on General File notwithstanding action of the Committee.

Mr. Bowen asked to hold the debate on the motion until after recess.

So ordered.

Announcement—Committee Hearing

Mr. Adamson announced that there would be a meeting of the Legislative Processes Interim Study Committee today at 1:30 p.m.

Recess

At 12:09 p.m., on a motion by Mr. Thompson, the Legislature recessed until 2:00 p.m.

After Recess

The Legislature reconvened at 2:00 p.m., President Burney presiding.

The roll was called and all members were present except Mr. Foster who was excused and Messrs. Stromer and Lysinger who were excused until 3:00 p.m.

MOTION—Adjourn

Mr. President: I move that when we adjourn today it will be until Tuesday, November 12, 1963. (Signed) Sam Klaver

Mr. Gerdes moved to amend the Klaver motion by striking "today" and inserting "Friday" and adding "until Tuesday, November 12, 1963, 1:00 p.m.".

The Gerdes amendment prevailed with 26 ayes, 5 nays and 12 not voting.

The Klaver motion was adopted as amended.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 3. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 3.

Announcement

Mr. Kjar announced that explanations of LB 16, LB 17, LB 18 and LB 19 were being put on the members' desks.

Visitor

Mr. Hasebroock introduced Clair Holmquist from Oakland, Nebraska.

GENERAL FILE

LEGISLATIVE BILL 23. Laid over temporarily at the request of Mr. Carpenter.

LEGISLATIVE BILL 19. Mr. Russillo asked to dispense with the reading of the bill and read only the Standing Committee amendment. No objections. So ordered.

Standing Committee amendments found in the Legislative Journal for the Eleventh Day were adopted.

Advanced to E and R for review with 35 ayes, 2 nays and 6 not voting.

Visitor

Mr. Brandt introduced Jack McNight from Auburn, Nebraska.

LEGISLATIVE BILL 23.

Mr. Stromer moved to reconsider the action on the Carpenter-Stromer amendment of this morning.

The Stromer motion prevailed with 31 ayes, 6 nays and 6 not voting.

The Carpenter-Stromer amendment lost with 4 ayes, 31 nays and 8 not voting.

Advanced to E and R for review with 34 ayes, 1 nay and 8 not voting.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 20. Replaced on Select File as amended.

E and R amendment to LB 20:

1. In Enrollment and Review Amendment 1, line 1, strike "1" and insert "2".

(Signed) Eugene T. Mahoney, Chairman

UNANIMOUS CONSENT—Take up LB 20

Mr. Mahoney requested unanimous consent to consider LB 20 on Select File.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 20. E and R amendment adopted.

Advanced to E and R for engrossment.

Adjournment

At 3:56 p.m., on a motion by Mr. Payne, the Legislature adjourned. The motion prevailed with 20 ayes, 10 nays and 13 not voting.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION**FIFTEENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Friday, November 8, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m.,
President Burney presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present.

Corrections for the Journal

Page 103, line 9, delete the parenthesis from "H".

Page 104, line 6, "bill" not "bills".

The Journal for the Fourteenth Day was approved as corrected.

Presented to the Governor

Presented to the Governor for approval on November 8, 1963,
at 8:00 a.m. LB 3.

(Signed) Duane Hubbard, Assistant Clerk

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 15. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

**UNANIMOUS CONSENT—Hold LB 16, LB 17,
LB 18, LB 19 and LB 11**

Mr. Brandt requested unanimous consent to hold LB 16, LB 17,
LB 18, LB 19 and LB 11 on Select File for discussion together.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 7. E and R amendments found in the Legis-
lative Journal for the Fourteenth Day were
adopted.

Mr. Carpenter requested unanimous consent to hold LB 7 on Select File until this afternoon.

No objections. So ordered.

Mr. Marvel requested unanimous consent to adopt the following amendment to section 6, line 25 (4):

1. Amend Standing Committee amendment after "purpose," and before "appropriate" the following:

"Auditor Account No. 740,"

There were no objections and the Marvel amendment was adopted.

Laid over until this afternoon at the request of Mr. Carpenter.

Members Excused

Mr. Skarda asked to be excused this afternoon. Mr. R. Rasmussen asked to be excused this afternoon and Tuesday, November 12, 1963 in the afternoon. Mr. Moulton asked to be excused at 10:30 a.m. for the remainder of the day.

GENERAL FILE

LEGISLATIVE BILL 11. Considered.

Mr. Russillo moved to suspend the rules and that the mimeographed bill be read in lieu of the original bill.

The motion prevailed with 29 ayes, 6 nays and 8 not voting.

Mr. Kjar read the Standing Committee report and moved that the report be printed in the Legislative Journal.

The motion carried.

COMMITTEE REPORT ON L.B. 11

L. B. 11, as amended, represents a sincere effort on the part of your Committee to present comprehensive legislation in the interest field which will meet constitutional requirements and which will accomplish the primary function of protecting the public welfare.

Turning to specific provisions of the amended bill, your Committee recommends that the general usury rate for conventional loans be left at nine per cent. Prior to 1941 this rate was 10 per cent, but the people of this state have successfully operated under the nine per cent rate for more than twenty years and it is felt that there is no reason to change it now.

In addition, the Committee recognizes the economic fact that installment loans and installment sales of products of industry have become an important part of our personal and business life, and further recognizes that the Supreme Court of Nebraska has established that charges for credit and for forbearance in the case of installment sales are interest, and that it is therefore essential that the Legislature exercise its police power in this area and place limitations on the charges which may be made for all installment transactions. The Committee further recognizes that installment transactions are substantially different from conventional loans because of the manner in which such loans must as a practical matter be handled, because of the difference in collection procedures and in types of security available, and because of other economic factors, and therefore in seeking to reach a balance between the legitimate requirements of the lender and the proper protection of the welfare of the borrower, the Committee concluded that a rate of 12 per cent per annum on the unpaid balance of all installment loans was proper. We have imposed a heavier penalty for exceeding the 12 per cent rate than for violation of the general usury statute. We have provided a time limit within which such loans must be repaid. We have provided that in this type of loan where a rate of twelve per cent is authorized that only certain types of security, not including real estate, may be taken. We have required that all such contracts must state the rate in terms of simple interest on an annual basis. We have imposed other conditions and restrictions, not imposed on conventional loans of nine per cent, in consideration of the welfare of that class of persons who must resort to the installment form of loan or purchase.

Finally, the Committee believes that experience has shown that the law must recognize that there is a class of borrowers which offers to the lender a high degree of risk and whose legitimate need for loans cannot be met through ordinary credit channels, and who will be forced into the hands of unscrupulous lenders if his needs are not met through lawfully established sources of credit which are licensed and regulated by the state. The Committee therefore recommends the continuation of our small loan law, with certain modifications, the most important of which is the reduction of the amount of such loans from \$3,000 down to \$1,500 as proposed by the introducers of L. B. 11. If any licensee violates the terms of the statute regulating this type of small loan, we recommend retention of the present extreme penalty of loss of principal and interest, but we believe the act makes it clear that such extreme penalty shall apply only to a licensee, and that there are other adequate measures and penalties to forestall the non-licensee who would attempt to engage in this type of lending activity.

Your Committee has submitted the amended bill to the Attorney General, and he is of the opinion that the constitutionality of the provisions and principles embodied in it can be successfully defended.

The Committee advanced L. B. 11 by a vote of 7 to 0.
(Signed) Albert A. Kjar, Chairman

Mr. Russillo moved to reconsider the action on the suspension of rules.

The motion prevailed with 31 ayes, 0 nays and 12 not voting.

The Russillo motion to suspend the rules lost with 0 ayes, 26 nays and 17 not voting.

Member Excused

Mr. Bahensky asked to be excused at 10:30 a.m.

Standing Committee amendments 1 and 2 found in the Legislative Journal for the Thirteenth Day were adopted.

Mr. Carpenter moved to amend Standing Committee Amendment 3 found in the Legislative Journal for the Thirteenth Day as follows:

1. Amend lines 8 and 9 of Standing Committee Amendment 3 by striking "sixty months" and inserting "seven years".

The Carpenter amendment was adopted with 23 ayes, 16 nays and 4 not voting.

Standing Committee Amendment 3 was adopted as amended by the Carpenter amendment with 33 ayes, 0 nays and 10 not voting.

Standing Committee amendment 4, found in the Legislative Journal for the Thirteenth Day, was adopted.

Mr. Craft offered the following amendment to Standing Committee amendment 5, found in the Legislative Journal for the Thirteenth Day, which was adopted:

Amend Standing Committee amendment 5, line 10, by striking "sixty" and inserting "eighty four".

Mr. Kjar offered the following amendment to Standing Committee amendment 5, which was adopted:

Amend Standing Committee amendment 5, after the comma in line 6, add the words "each period".

Mr. R. Rasmussen offered the following amendment to Standing Committee amendment 5:

Amend Standing Committee amendments 3 and 5 by inserting after the last sentence, "Any borrower may pay in advance in full

or in part any contract at any time during regular business hours, and he shall pay interest only on the amount he owes for the time he owes it.”.

The Rasmussen amendment was adopted with 33 ayes, 3 nays and 7 not voting.

Visitor

Mr. Forrester introduced Mr. Merle Gould of Broken Bow.

Standing Committee amendment 5, as amended, was adopted.

Standing Committee amendment 6, found in the Legislative Journal for the Thirteenth Day was adopted.

Visitors

In observance of Aerospace Education Week Dr. Frank Sorenson, University of Nebraska, escorted Lt. Col. John “Shorty” Powers, the voice of Mercury Control, to the rostrum. Mr. Powers spoke to the members briefly.

Standing Committee amendment 7, found in the Legislative Journal for the Thirteenth Day, was adopted with 28 ayes, 0 nays and 15 not voting.

Members Excused

Messrs. Kremer, Lysinger and Gottschalk were excused for the afternoon. Mr. McGinley was excused until 1:30 p.m.

Recess

Mr. Klaver moved to recess until 1:30 p.m.

Mr. Brandt moved to amend the Klaver motion to 1:00 p.m., which was adopted.

The Klaver motion, as amended, prevailed and at 12:04 p.m., the Legislature recessed.

After Recess

The Legislature reconvened at 1:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. Erlewine, Kremer, Lysinger, Moulton, R. Rasmussen and Skarda who were excused.

Standing Committee amendment 8 found in the Legislative Journal for the Thirteenth Day, was adopted.

Standing Committee amendment 9 found in the Legislative Journal for the Thirteenth Day, was adopted.

Standing Committee amendment 10 found in the Legislative Journal for the Thirteenth Day, was adopted.

Visitors

Mr. Carpenter introduced nine students from West Nebraska General School of Nursing, Scottsbluff, Nebraska.

Mr. Danner offered the following amendments to Standing Committee Amendment 10:

1. Amend section 9, line 11, by striking "twenty-four" and inserting "eighteen".

2. Amend section 9, line 17, by striking "twelve" and inserting "ten".

Mr. Danner asked for a record vote.

Voting in the affirmative, 11:

Adamson	Fleming	Orme	Warner
Damrow	Foster	Reeves	Wylie
Danner	Klaver	Stryker	

Voting in the negative, 20:

Bowen	Claussen	Hasebroock	Nelson
Brandt	Craft	Kjar	Ruhnke
Bridenbaugh	Gerdes	Mahoney	Russillo
Burbach	Gerhart	Marvel	Stalder
Carpenter	Gottschalk	McGinley	Thompson

Not voting, 12:

Bahensky	Kremer	Payne	Skarda
Erlewine	Lysinger	Rasmussen, E.	Stromer
Forrester	Moulton	Rasmussen, R.	Syas

The Danner amendment lost.

Standing Committee amendment 11 found in the Legislative Journal for the Thirteenth Day was adopted.

Mr. Thompson Presiding

Mr. Ruhnke offered the following amendment to Standing Committee amendment 12, found in the Legislative Journal for the Thirteenth Day, which was adopted:

Amend Standing Committee amendment 12 to Sec. 11 of the bill by striking in line 3 the rest of the line after the word "rate" and in line 4 the words "*of computation*".

Standing Committee amendment 12, as amended, was adopted.

Standing Committee amendment 13, found in the Legislative Journal for the Thirteenth Day, was adopted.

Standing Committee amendment 14, found in the Legislative Journal for the Thirteenth Day, was adopted.

Standing Committee amendment 15, found in the Legislative Journal for the Thirteenth Day, was adopted.

Mr. Adamson offered the following amendment which was adopted:

Amend by striking lines 57 through 63 of re-numbered Section 10 and inserting the language of lines 3 through 9 of re-numbered Section 5.

President Burney Presiding

Mr. Russillo offered the following amendment which was adopted:

Add to re-numbered Section 12 the following new language:

"Provided, however, that should any of the foregoing sections as amended by this act be declared unconstitutional or invalid for any reason by a court of competent jurisdiction then such sections shall not be deemed to have been amended or repealed by this act but shall be restored and remain as if this act had not been enacted."

Mr. Brandt offered the following amendment which was adopted:

Amend the title to the bill to conform to the Standing Committee amendments and floor amendments.

Mr. Klaver asked for a record vote on the advancing of LB 11.

Voting in the affirmative, 26:

Adamson	Damrow	Mahoney	Stalder
Bowen	Fleming	Marvel	Stromer
Brandt	Gerdes	McGinley	Stryker
Bridenbaugh	Gerhart	Orme	Thompson
Burbach	Gottschalk	Ruhnke	Warner
Carpenter	Hasebroock	Russillo	Wylie
Claussen	Kjar		

Voting in the negative, 8:

Craft	Forrester	Klaver	Rasmussen, E.
Danner	Foster	Payne	Syas

Not voting, 9:

Bahensky	Lysinger	Nelson	Reeves
Erlewine	Moulton	Rasmussen, R.	Skarda
Kremer			

Member Excused

Mr. Brandt asked to be excused for the remainder of the day.

LEGISLATIVE BILL 9. Read and considered.

Mr. McGinley offered the following amendment to the Standing Committee amendments found in the Legislative Journal for the Eleventh Day:

1. Amend Standing Committee amendment to page 2 by striking the comma after "interest" in Line 5 and substituting a period, and strike all words after such period.

The amendment was adopted with 24 ayes, 5 nays and 14 not voting.

The Standing Committee amendments to page 2 were adopted as amended.

The Standing Committee amendment to page 3, section 2, found in the Legislative Journal for the Eleventh Day was adopted.

Advanced to E and R for review with 23 ayes, 9 nays and 11 not voting.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 24. Placed on Select File.

LEGISLATIVE BILL 19. Placed on Select File.

LEGISLATIVE BILL 1. Correctly engrossed.

LEGISLATIVE BILL 20. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

SELECT FILE

LEGISLATIVE BILL 7. Mr. Carpenter requested unanimous consent to hold LB 7 until Tuesday, November 12, 1963.

No objections. So ordered.

UNANIMOUS CONSENT—Take up LB 16, LB 17, LB 18

Mr. Syas requested unanimous consent to take up LB 16, LB 17 and LB 18 on Select File.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 16. Advanced to E and R for engrossment.

LEGISLATIVE BILL 17. E and R amendments found in the Legislative Journal for the Fourteenth Day were adopted.

Advanced to E and R for engrossment.

LEGISLATIVE BILL 18. E and R amendments found in the Legislative Journal for the Fourteenth Day were adopted.

Advanced to E and R for engrossment.

LEGISLATIVE BILL 7. Mr. Carpenter requested unanimous consent to withdraw his request to hold until November 12, 1963. No objections. So ordered.

Advanced to E and R for engrossment.

Member Excused

Mr. Damrow asked to be excused Tuesday, November 12, 1963.

Adjournment

At 4:04 p.m., on a motion by E. Rasmussen, the Legislature adjourned until 1:00 p.m., Tuesday, November 12, 1963.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

SIXTEENTH DAY

Legislative Chamber, Lincoln, Nebraska
Tuesday, November 12, 1963

Pursuant to adjournment, the Legislature met at 1:00 p.m., President Burney presiding.

Prayer was offered by Mr. Hasebroock.

The roll was called and all members were present except Messrs. Adamson, Damrow, Stalder and Thompson who were excused.

Corrections for the Journal

Page 113, line 10, insert "amendment" after "Committee".

Page 116, line 13, after "Legislative Bill 17", insert "E and R amendments found in the Legislative Journal for the Fourteenth Day were adopted.".

The Journal for the Fifteenth Day was approved as corrected.

Announcements

Mr. Craft announced that the meeting of the Interim Study Committee on Road Classification would not be held this afternoon at 1:30 p.m., but is being re-set for Thursday, November 14, 1963, at 1:30 p.m.

Mrs. Orme announced that the Committee on Intergovernmental Cooperation would meet tomorrow, November 13, 1963, after adjournment.

Visitors

Mr. Payne introduced James Sprague, Teacher, 60 students from the Papillion High School, and 3 mothers.

Mr. McGinley introduced Milton Baack, Supt. of Schools, and Charles T. Mueller, Chairman of the Ogallala School Board, of Ogallala, Nebraska.

Message from the Governor

November 8, 1963

The President, the Speaker,
and Members of the Legislature:

This is to inform your honorable body that I have on this day approved LB 3.

Respectfully,

(Signed) Frank B. Morrison
Governor

FBM:f

STANDING COMMITTEE REPORT**Enrollment and Review****LEGISLATIVE BILL 23.** Placed on Select File as amended.

E and R amendments to LB 23:

1. Standing Committee amendment 1, line 3 show the third "a" as new matter; and line 8 strike the period at the end of the line.
2. Strike Stromer Amendment 1, adopted November 6, 1963.
3. Section 1, line 146 strike "(7) and" and insert "(4), (7) and or", and line 147 for correlation insert ", on the effective date of this act" after 1954.
4. Stromer Amendment 2, adopted November 6, 1963, line 2 by inserting "and show same as new matter" after "line".
5. Burbach Amendment 1 to section 4, adopted November 7, 1963, as amended, line 4 by striking "Providing" and inserting "Provided," and showing the balance of the amendment as amended as new matter; line 6 by removing the capitalization to "A.M."
6. Section 4 of the bill, line 20 by striking "Provided" and inserting "; and provided further".

LEGISLATIVE BILL 16. Correctly engrossed.**LEGISLATIVE BILL 18.** Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

MOTION—Renew Request

Mr. Gerdes renewed his motion, found in the Legislative Journal for the Fourteenth Day, page 93, to adopt the report of the Committee on Committees concerning appointments made by the Governor.

The motion prevailed.

MOTION—Hold Over Report

Mr. President: I move the report of the Committee on Committees be held over for confirmation of appointments until the next regular session.

(Signed) Sam Klaver

Motion pending.

Visitor

Mr. Craft introduced Jess Nielson from North Platte.

UNANIMOUS CONSENT—Hold Previous Motion

Mr. Marvel asked unanimous consent to hold the Klaver motion in abeyance until Thursday, November 14, 1963.

No objections. So ordered.

UNANIMOUS CONSENT—Print in Journal

Mr. Stromer requested the Clerk to read the following opinion and asked that it be printed in the Journal.

No objections. So ordered. The opinion was read.

Senator Marvin E. Stromer
Nebraska State Legislature
State Capitol
Lincoln, Nebraska

Dear Senator Stromer:

You have asked for our opinion as to the constitutionality of Legislative Bills 16, 17, 18 and 19 of the Seventy-fourth Session. We will first make some observations with respect to the individual bills, and conclude with a general statement applicable to all.

The purpose of L. B. 16, according to the statement is to statutorily apply the penalty of the usury statutes to installment sales contracts invalidated because the statutes under which they were

entered into were or are held unconstitutional; that is, the 9 per cent rate would be applied to such agreements and violation would involve loss of interest only. According to the definition of an "agreement" contained in section 2, the benefits of the act would extend only to sellers of merchandise and not to other loan contracts. Considerable doubt is cast upon such a classification by the October 18 decision of the Supreme Court in *Stanton v. Mattson* in which it was pointed out that, "We can see no valid reason, nor has one been pointed out to us, that warrants retail sellers to charge a rate of interest that is denied to all others." The bill would also appear to conflict with L. B. 19, which would leave most agreements enforceable according to the original terms of such agreements.

L. B. 17 would make the penalty for past violations of the installment loan law the loss of all interest and charges, rather than declaring the obligation void. L. B. 18 would make a comparable reduction in penalties for installment loans made by industrial loan and investment companies.

L. B. 19 is relatively brief and not easily summarized, and provides principally that, "any statute containing mandatory provisions requiring compliance therewith and subjecting those acting within the operative scope thereof to civil or criminal sanctions, penalties, or forfeitures for failure to so comply is judicially determined to be unconstitutional, such judicial determination shall be given prospective effect only and agreements entered into in accordance with such statutes prior to the date of the particular decision holding the applicable statute unconstitutional shall be fully valid and enforceable according to their terms, subject to common law defenses applicable to all contracts." The act is to apply to statutes enacted and to agreements entered into in accordance therewith prior to or after the effective date of the act. Just what future agreements might be affected by this act, it is of course impossible to conceive. However, when an applicable situation does arise, the act might readily be construed as protecting only the constitutional rights of the first person to get into court, and not to those who came after, and this would certainly raise serious questions as to equal protection of the laws, deprivation of property without due process, as well as an attempt to exercise powers properly belonging to the judicial department. Its validity would receive a further severe test with respect to its application to any judgments which may have been entered since the June 28 decision in *Elder v. Doerr*.

As you know, this office on July 10 gave its opinion that retroactive legislation of a nature similar to Legislative Bills 16, 17, 18 and 19 would be invalid. At that time we received several briefs from interested persons and those have again been reviewed. In the limited time available we have done additional research on our own. We have concluded that we have no proper basis for

changing our July 10 conclusion. As the Court said in *Anderson v. Lehmkuhl*, 119 Neb. 451, a case involving a legislative effort to validate \$30,000 in bonds issued and sold under a statute later declared unconstitutional:

" * * * * *"

" * * *. A bond or contract which rests on an unconstitutional statute is void and creates no obligation to be enforced by subsequent legislation.

" * * * * *"

It must be kept in mind that the courts, and not the Attorney General, are the final arbiters in matters of this kind, and that the Legislature, rather than the Attorney General, must make the decision of what legislation is adopted.

Very truly yours,

(Signed) Clarence A. H. Meyer
Attorney General

CAHM:ejg

UNANIMOUS CONSENT—Print in Journal

Mr. Russillo asked that the following article be printed in the Journal:

The law is clear that this legislature has the power to modify or repeal retrospectively as it sees fit any usury statute or any penalty or forfeiture provisions allied thereto.

The Supreme Court of the United States settled this point way back in 1882 in a case entitled *Ewell vs. Daggs*. In this case it was held:

That it was legal to repeal retrospectively a Texas usury statute inflicting upon the lenders a loss and forfeiture of interest, so as to cut off the defense for the future, even in actions upon contracts previously made.

This case further pointed out that such repealing laws did not deprive parties of vested rights or in any way impair the obligation of the contracts.

That this deep and sound principle on which this repeal right is supported is that the right to avoid a contract is given by statute for purposes of its own and not because it affects the merits of the obligation, and that whatever the statute gives under such circumstances may by subsequent statutes be taken away.

It is a privilege that belongs to the remedy, and forms no element in the rights that inhere in the contract.

The Ewell case outlines that benefits were received by the contract and that this is just ground for imposing, *by subsequent legislation*, the liability which was intended by contracting parties.

The U. S. Supreme Court concluded that the right which the curative or repealing act takes away is the right of the contracting party to avoid his contract, "A *naked* legal right which it is usually unjust to insist upon, and which no constitutional provision was ever designed to protect." The Ewell case has been widely followed and accepted for the last 80 years.

A couple of standard legal texts, upon which all lawyers and courts accept and rely, are "Corpus Juris" and "American Jurisprudence".

"Corpus Juris" says that, and I quote, "There is no vested right in the usury laws, which, therefore may be repealed or changed so as to affect causes of action and defenses even in pending suits." And still quoting . . . "The accrual of a right to, or the commencement of a suit for a forfeiture, fine, or a penalty imposed by statute does not give a vested right thereto which the legislature may not take away or impair."

"American Jurisprudence" states it this way: . . . I again quote, "A mere penalty never vests, but remains executory; the repeal of a statute before a penalty is enforced is not a deprivation of vested rights. It abrogates all rights of action which have not been reduced to judgments. All pending actions and proceedings to recover a penalty which have not been prosecuted to a final judgment are defeated by the repeal."

The Nebraska Supreme Court has accepted, confirmed and implemented the rules of law just outlined.

In a case entitled Gibson vs. Sherman County, the Court held that the principles set out in the Ewell case were sound, and this position was again affirmed by the Nebraska Supreme Court in Matthews vs. Guenther. In the Matthews case, the Court said: "In Gibson vs. Sherman County this Court approved the Doctrine as to usury announced by the U. S. Supreme Court in the Ewell case, the case holding that the right of a defendant to void his contract is given to him by statute, for purposes of its own, and not because it affects the merits of his obligation, and its penalties will be limited, supported and continued only when, and to the extent, the express terms thereof provide."

This sound and reasonable position is still further confirmed by a very recent decision of the Nebraska Supreme Court. In

Rader vs. Burnett, the Court said that one who becomes a purchaser of the buyer's part of a time sales contract cannot avail himself of the usury remedy even though the original buyer might have done so. Very clearly this opinion separates the usury penalty as a part of the contract, because if it had been part of the contract any subsequent holder could have taken advantage of it. Not being a part of the contract, this legislature may in its wisdom do as it pleases with it.

In conclusion, legal principles are well established in Nebraska that this legislature has the authority, has the power, to repeal or alter the unfair usury penalty provisions currently being applied under recent Nebraska Supreme Court decisions.

(Signed) M. P. Russillo

SELECT FILE

LEGISLATIVE BILL 19.

Mr. Carpenter moved to indefinitely postpone LB 19.

Mr. Klaver asked unanimous consent to hold the Carpenter motion until tomorrow. No objections. So ordered.

The Carpenter motion is pending.

Speaker Moulton Presiding

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 8. With emergency.

A BILL FOR AN ACT to amend section 53-103, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, relating to liquors; to redefine nonprofit corporation; to repeal the original section; and to declare an emergency.

Whereupon the Speaker stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 35:

Bahensky	Burbach	Erlewine	Gerdes
Bowen	Carpenter	Fleming	Gerhart
Brandt	Claussen	Forrester	Gottschalk
Bridenbaugh	Craft	Foster	Hasebroock

Kjar	McGinley	Rasmussen, E.	Stromer
Klaver	Moulton	Rasmussen, R.	Stryker
Lysinger	Nelson	Ruhnke	Warner
Mahoney	Orme	Russillo	Wylie
Marvel	Payne	Skarda	

Voting in the negative, 0:

Not voting, 8:

Adamson	Danner	Reeves	Syas
Damrow	Kremer	Stalder	Thompson

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

Explanation of vote

Mr. President: Had I been present, I would have voted in favor of LB 8.

(Signed) George Syas

RESOLUTIONS

LEGISLATIVE RESOLUTION 2. Re: Nebraska Educational Television Commission—Copies of Plans and Specifications.

Introduced by Sam Klaver, 6th District; Terry Carpenter, 42nd District; and Hal Bridenbaugh, 13th District.

WHEREAS, the study committee of the Legislative Council on Educational Television is making a study of the functions of television for educational purposes; and

WHEREAS, the Nebraska Educational Television Commission was appropriated funds by the Legislature to carry out the provisions of Legislative Bill 667, Seventy-third Session, Nebraska State Legislature, 1963; and

WHEREAS, the study committee needs to know the manner the money is being spent in order to make a complete study of educational television.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. That before the Nebraska Educational Television Commission contracts to spend any money for construction of new facilities, that it submit to the study committee of the Legislative Council on

Educational Television a copy of its plans and specifications for information purposes.

2. That a copy of this resolution, suitably engrossed be sent by the Clerk of the Legislature to the chairman of the Nebraska Educational Television Commission.

UNANIMOUS CONSENT—Withdraw LR 1

Mr. Carpenter requested unanimous consent to withdraw his Legislative Resolution 1 as appears on page 39 of the Legislative Journal for the Fifth Day and substitute a new Legislative Resolution 1 in lieu thereof.

No objections. So ordered.

LEGISLATIVE RESOLUTION 1. Re: The Validity of LB 11.

Introduced by Terry Carpenter, 42nd District.

WHEREAS, recent decisions of the Nebraska Supreme Court held the Installment Sales Act Invalid; and indicated grave doubts about the constitutionality of all special interest laws as being class legislation; and

WHEREAS, the economy of the State of Nebraska cannot function properly without some legally acceptable method of financing such installment sales; and

WHEREAS, on account of the apprehension of those people who buy and discount such paper, the unknown financial liability that exists in the recent decisions of the Supreme Court holding the Installment Sales Act invalid, and the wide scope of those who must use this type of financing in order to survive financially in all facets of the business world, there is a desire to eliminate any question as to the constitutionality of LB 11.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION:

1. That the Governor of the State of Nebraska and the Attorney General take whatever steps are necessary to request that the Supreme Court as soon as possible accept as an original action cases to determine the validity of LB 11 in order to determine the constitutionality, bearing in mind the extreme financial conditions that have arisen to render a decision as soon as practical and possible.

UNANIMOUS CONSENT—Hold LR 1

Mr. Carpenter requested unanimous consent to hold action on Legislative Resolution 1 until LB 11 has been disposed of by the Legislature.

No objections. So ordered.

UNANIMOUS CONSENT—Take Up on Select File

Mr. Mahoney requested unanimous consent to take up bills on Select File.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 24. Advanced to E and R for engrossment.

LEGISLATIVE BILL 23. E and R amendments found in the Legislative Journal for today were adopted.

Mr. Stromer offered the following amendment which was adopted by unanimous consent:

1. Add a new section (properly inserted)

“The effective date of this act shall be January 10, 1964.”.

2. Add savings clause.

Mr. Carpenter requested unanimous consent to amend the Stromer amendment as follows:

1. Amend the Stromer Unanimous Consent amendment by striking “January 10, 1964” and inserting in lieu thereof “December 29, 1963”.

No objections. So ordered.

Mr. Stromer offered the following amendments which were adopted by unanimous consent:

1. In Section 1, page 6, line 168, strike “facilities” and insert “premises”.

Amend the Burbach General File amendment found on page 97 of the Legislative Journal, by striking “sale” and inserting “dispensing”.

Advanced to E and R for engrossment.

Recess

At 3:30 p.m., on a motion by Mr. Carpenter, the Legislature recessed until 4:00 p.m.

After Recess

The Legislature reconvened at 4:00 p.m., Speaker Moulton presiding.

The roll was called and all members were present except Messrs. Adamson, Damrow, McGinley, Stalder and Thompson who were excused.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 17. Replaced on Select File as amended.

E and R amendments to LB 17:

1. Amend the Carpenter Amendment 4, adopted November 5, 1963, by striking "*refund*" and inserting "*refunded*".
2. In section 2, line 66, strike the comma after "*interest*" and show as stricken matter.
3. In the title, line 14, strike the comma and insert a semicolon.

(Signed) Eugene T. Mahoney, Chairman

Mr. Mahoney requested unanimous consent to consider the E and R amendments to LB 17.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 17. E and R amendments found in today's Journal were adopted.

Mr. Gottschalk offered the following amendments and asked that they be printed in the Journal for consideration tomorrow, November 13, 1963:

1. Amend Section 1, Subsec. (5), line 182, by striking the word "*any*" which appears between "*if*" and "*in-*" and inserting the word "*such*".
2. Amend Section 5, line 3, after the comma which appears after the word "*act*" insert "*the penalty provisions of*". Line 7, between the words "*and*" and "*sections*" insert "*the penalty provisions of*".

Mr. Gottschalk offered the following amendment which was adopted:

Amend Section 7, line 6, after the period after "pealed" add the following new language:

"Provided, however, that should any of the foregoing sections as amended by this act be declared unconstitutional or invalid for any reason by a court of competent jurisdiction then such sections shall be deemed not to have been amended or repealed by this act but shall be restored and remain as if this act had not been enacted."

Visitors

Mr. Bowen introduced Mr. John Keeney, Supt. of Schools at Brewster, Nebr., 11 students and 4 parents.

Mr. Brandt introduced Herbert Stutheit from Cook, Nebr.

Announcement

Mr. Marvel announced that the Budget Committee would meet in Executive Session right away in the West Senate Lounge.

Member Excused

Mr. Foster asked to be excused tomorrow, November 13, 1963.

Adjournment

At 4:31 p.m., on a motion by Mr. Claussen, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

SEVENTEENTH DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, November 13, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Burney presiding.

Prayer was offered by Mr. Erlewine.

The roll was called and all members were present except Messrs. Danner, Foster and Thompson who were excused.

Correction for the Journal

Mrs. Orme requested the following correction for the Journal:
Page 117, line 21, delete "Interim Study".

The Journal for the Sixteenth Day was approved as corrected.

Announcement

Mr. Russillo announced that he had distributed copies of a pamphlet prepared by a law firm on the usury law penalty on the members' desks.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 9. Placed on Select File as amended.

E and R amendments to LB 9:

1. Line 2 of Standing Committee Amendment 1, strike "provided, however," and insert "*Provided,*," and show as new matter the amendment as amended in lines 3 to 5.
2. Line 3 of Standing Committee Amendment 2, insert ", license and regulate lenders, define interest" after "lenders".
3. Amend the title of the bill, line 5, by striking "re-", by striking lines 6 to 8 and inserting "to classify loans and lenders, license and regulate lenders, define interest and fix maximum rates of interest; to pro-".

LEGISLATIVE BILL 8. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 8.

RESOLUTION**LEGISLATIVE RESOLUTION 2.**

Mr. Gerdes moved to amend LR 2 as it appears in the Legislative Journal on page 124 as follows:

1. In resolve 1. line 1, strike "that before t" and insert "T" before the letters "he".

2. In resolve 1. line 2, strike the entire line 2 and in line 3, strike the word "it".

Mr. Klaver requested a record vote.

Voting in the affirmative, 27:

Adamson	Erlewine	Kremer	Ruhnke
Bahensky	Fleming	McGinley	Stalder
Bowen	Forrester	Nelson	Stromer
Burbach	Gerdes	Orme	Stryker
Claussen	Gottschalk	Rasmussen, E.	Warner
Craft	Hasebroock	Rasmussen, R.	Wylie
Damrow	Kjar	Reeves	

Voting in the negative, 11:

Brandt	Gerhart	Marvel	Skarda
Bridenbaugh	Klaver	Payne	Syas
Carpenter	Mahoney	Russillo	

Not voting, 5:

Danner	Lysinger	Moulton	Thompson
Foster			

The Gerdes amendment was adopted.

UNANIMOUS CONSENT—Names Withdrawn

Mr. Klaver requested unanimous consent that his name be withdrawn from LR 2. No objections. So ordered.

Mr. Carpenter requested unanimous consent that his name be withdrawn from LR 2. No objections. So ordered.

UNANIMOUS CONSENT—Add Co-introducer

Mr. Russillo requested unanimous consent that his name be added as co-introducer of LR 2. No objections. So ordered.

The Bridenbaugh motion to adopt LR 2 prevailed with 27 ayes, 11 nays and 5 not voting.

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 4. With emergency.

A BILL FOR AN ACT to make appropriation for the payment of a claim against the State of Nebraska for which no appropriation has been made; to provide the manner in which such money so appropriated shall be paid and expended; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 39:

Adamson	Erlewine	Mahoney	Ruhnke
Bahensky	Fleming	Marvel	Russillo
Bowen	Forrester	McGinley	Skarda
Brandt	Gerdes	Moulton	Stalder
Bridenbaugh	Gerhart	Nelson	Stromer
Burbach	Gottschalk	Orme	Stryker
Carpenter	Hasebroock	Payne	Syas
Claussen	Kjar	Rasmussen, E.	Warner
Craft	Klaver	Rasmussen, R.	Wylie
Damrow	Kremer	Reeves	

Voting in the negative, 0:

Not voting, 4:

Danner	Foster	Lysinger	Thompson
--------	--------	----------	----------

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

Visitor

Mr. Kremer introduced Johanna Morf, Dorfstrasse 220, *Bruttisellen* Zurich, Switzerland.

MOTION—Return LB 20 to Select File

Mr. Marvel moved to return LB 20 to Select File for the following specific amendment and to hold on Select File for another amendment:

1. Amend Standing Committee Amendment 1, adopted November 5, 1963, line 3, by inserting after "year" the following:

"beginning January 1, 1965, and each January thereafter".

The motion prevailed with 35 ayes, 0 nays and 8 not voting.

SELECT FILE**LEGISLATIVE BILL 20.**

The pending Marvel specific amendment found in today's Journal was adopted by unanimous consent.

MOTION—Return LB 7 to Select File

Mr. Marvel moved to return LB 7 to Select File for the following specific amendments:

1. Amend the bill by striking the Marvel Amendment 1, adopted November 8, 1963.

2. Amend the Marvel Amendments to section 7, adopted November 5, 1963, lines 8 and 16, by striking "November" and inserting "*December*".

3. Amend section 2 of the bill, line 109 by inserting "*and apportionment thereof,*" before "appropriate".

The motion prevailed with 40 ayes, 0 nays and 3 not voting.

Members Excused

Messrs. Syas and Bridenbaugh asked to be excused for one hour.

SELECT FILE**LEGISLATIVE BILL 7.**

The pending Marvel specific amendments found in today's Journal were adopted by unanimous consent.

Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Print in Journal

Mr. Russillo asked unanimous consent to have the analyses of LB 16, LB 17, LB 18 and LB 19 printed in the Journal.

Mr. Carpenter asked for a record vote on the Russillo motion.

Voting in the affirmative, 22:

Bahensky	Gerhart	Moulton	Rasmussen, R.
Bowen	Gottschalk	Nelson	Russillo
Brandt	Hasebroock	Orme	Stalder
Craft	Kjar	Payne	Warner
Fleming	Kremer	Rasmussen, E.	Wylie
Gerdes	McGinley		

Voting in the negative, 6:

Carpenter	Damrow	Forrester	Reeves
Claussen	Erlewine		

Not voting, 15:

Adamson	Foster	Marvel	Stryker
Bridenbaugh	Klaver	Ruhnke	Syas
Burbach	Lysinger	Skarda	Thompson
Danner	Mahoney	Stromer	

ANALYSIS OF LB 16 AS AMENDED TO NOV. 6, 1963.**SECTION 1.**

Statement of public policy of legislature pertaining to:

Subsection (1)

Adverse effect on economy because of Supreme Court decisions ruling on time sale agreements.

Subsection (2)

Desire to protect validity of such agreements.

Subsection (3)

Desire to apply laws to recognize benefit to the buyer - the moral obligation to pay - and the debt or liability the buyer intended to incur.

Subsection (4)

The Legislature is confronted with a statutory conflict of penalties in that the Penalty Section of 45-105 (usury penalty of loss of charges) and the provisions of Sections 45-114 to 45-138 (the Installment Loan Law which results in loss of principal, product and charges) that both apply and the court

has applied the Installment Loan Law penalty contrary to the legislative intent.

SECTION 2.

Defines the agreements intended to be covered by this Act as being those involving the sale of personal property where the purchase price is to be paid installments and contracts entered into under LB 652 or LB 811 or the revolving credit provisions, only if the revolving credit law is to be held unconstitutional.

SECTION 3.

States that if any of the agreements defined in Section 2 are judicially determined to be a loan with interest, then the 9% usury limit of 45-101 applies and the remedy shall be that set forth in 45-105 (the Penalty Section of the Usury Law which results in the loss of charges).

SECTION 4.

Amend section 45-101 the 9% usury limitation statute, so that the 9% usury limit applies to the agreements defined in Section 2, if those agreements are judicially determined to be loans with interest.

REASON - The Penalty Section of the Usury Laws, Section 45-105 applies only if the limit set forth in 45-101, (9%) is exceeded and since time sale contracts were never intended to be loans with interest, it is necessary to amend the 9% usury limit (45-101) to apply if the court holds these contracts to be loans.

SECTION 5.

Amend Section 45-102 of the Usury Laws, which provides that the legal rate of interest shall be 6% unless otherwise agreed upon, not to exceed the 9%, so that this section does not apply.

REASON - Since Section 45-101 (9% usury limitation) applies, to avoid any conflict, Section 45-102, is amended so that it does not apply.

SECTION 6.

Amend Section 45-105 of the Usury Laws, which is the Penalty Section providing for loss of charges, so that it applies to the defined agreements in the event that they are judicially determined to be loans with interest that exceed the 9% usury limit.

SECTION 7.

This is a new section that does not amend any existing statute which provides that this Bill shall apply to any action that has not been reduced to final judgment as of the effective date of this act, and only to the defined agreements that have been entered into prior to the date of this act.

SECTION 8. - Standard Severability Clause.

SECTION 9. - Repeals the Amended Sections.

SECTION 10. - Emergency Clause.

ANALYSIS OF LB 17 AS AMENDED TO NOV. 6, 1963**SECTION 1.**

Merely restates the existing Statutory law set forth in Section 45-137, which is part of the Installment Loan Law, and amends Subsection (5) of this law by changing the penalty from loss of principal, product and charges to the loss of charges.

It also requires the refunding of the charges to the borrower.

SECTION 2.

Merely restates Section 45-138 of the existing Statutory Law, which is part of the Installment Loan Law, and amends Subsection (3) of this law to change the present penalty which results in the loss of principal, product and charges, to the loss of charges and requires the refund of any interest collected from the borrower.

SECTION 3.

Amends Section 45-154, of the presently existing Statutory Law, which is part of the Installment Loan Law, to change the penalty from the loss of principal, product and loss of charges, to the loss of charges and requires a refund of any interest collected.

SECTION 4.

Amends Section 45-135 of the existing Statutory Law, which is part of the Installment Loan Law, to change the penalty from loss of product, principal and charges, to loss of charges and require a refund of all the charges collected.

SECTION 5.

This is a new section which does not amend any existing Statutory Law, but which provides that the amended penalty sections shall apply to all transactions except those which have at the effective date of this Act, been reduced to final judgment and only to those transactions which were entered into prior to the effective date of this Act.

SECTION 6.

Is the standard Severability Clause.

SECTION 7.

Repeals the sections amended.

SECTION 8.

The Emergency Clause.

ANALYSIS OF LB 18 AS AMENDED TO NOV. 6, 1963**SECTION 1.**

Merely restates the present penalty section of the Industrial Loan and Investment Company Act, and amends it to read that the penalty shall be the loss of interest which shall be refunded to the borrower.

The reason for amending this section of the Act, is to make all penalty sections consistent in case the Supreme Court would choose to apply the penalty section of the Industrial Loan and Investment Company Act.

SECTION 2.

Is a new section which does not amend any existing law, and applies to all agreements which have, at the date of this act, not been reduced to a final judgment and applies only to agreements made prior to the effective date of this act.

SECTION 3.

The Standard Severability Clause.

SECTION 4.

Repeals the amended sections.

SECTION 5.

Provides for the Emergency Clause.

**ANALYSIS OF LB 19 AS REPORTED BY THE BANKING
INSURANCE & COMMERCE COMMITTEE WITH THE
COMMITTEE AMENDMENTS.**

The Committee Amendment in effect provides a new Act which differs from LB 19 as originally drawn.

The reason for this is that the last two Supreme Court Cases so substantially changed the law that the original LB 19 is no longer applicable or desirable.

The following analysis pertains to the standing Committee Amendments to LB 19 which constitute a more desirable complete Act within itself.

SECTION 1.

This is a statement of the legislative finding and declaration of public policy pertaining to:

Subsection (1)

The retroactive invalidation of law that has been relied upon by the general public frequently leading to harsh and unintended results.

Subsection (2)

Specifically relating to LB 652 and LB 811, stating that those dealing in installment sales under those statutes were compelled to contract in accordance with the terms and provisions of those Acts, or be subject to civil and criminal penalties for violations of the Acts.

Subsection (3)

Stating that judicial determinations holding statutes unconstitutional which statutes contain mandatory provisions requiring compliance and a penalty for failure to comply therewith should be given prospective effect only.

Subsection (4)

Stating that common fairness and natural honesty does dictate that those persons who entered into agreements in good faith in accordance with those statutes should not be penalized if the statutes are later judicially determined to be unconstitutional.

SECTION 2.

This section does not amend any existing statutory law, but is a new statutory enactment. It provides that any statute which contains mandatory provisions requiring compliance with the statute and subjecting those who have acted within the scope of the statute to civil or criminal penalties for failure to comply with the statute are judicially determined to be unconstitutional, then this judicial determination shall be given prospective effect only, and the agreements entered into in accordance with the statutes prior to the date of the holding of the statute to be unconstitutional, shall be fully valid and enforceable according to their terms, subject however to all common law defenses applicable to the contracts.

It is to be noted that this provision applies only to contracts entered into in compliance with the statute and still leaves the

common law defenses such as fraud, noncompliance with the statute, and misrepresentations available to anyone who has been wronged.

SECTION 3.

This provides that the provisions of this act shall apply to any statutes enacted and any agreements entered into in accordance with these statutes either prior to or after the effective date of this act.

The reason for making this act applicable not only to statutes which have been held unconstitutional and agreements which have been entered into pursuant to those statutes, and statutes which may in the future be held unconstitutional, is that people in the future may also rely on statutes which the court would later determine to be unconstitutional and this would afford them some protection if they have complied in all respects in good faith with the statutes.

SECTION 4.

The Emergency Clause.

ADDITIONAL EXPLANATION OF LB 19

LB 19 is an attempt by legislation to give prospective effect only to the Court's decisions concerning the unconstitutionality of LB 652 and LB 811.

Judge Boslaugh in his opinion in the case of *Lloyd vs. Gutzell*, stated:

"By a series of decisions this court has held that a time sale made in good faith is valid; that it is essential that the buyer be quoted a cash price and a time price; and that the time price may be computed by the use of schedules. The effect of the language in the majority opinion is to destroy the validity of all time sale contracts which were made in good faith in reliance upon previous decisions of this court. Such a result should be avoided if at all possible.

"If the law is to be changed, I believe that the change should be made by legislative process. But, if the change is to be made by judicial decision, then the decision should operate prospectively only. In that respect, I concur in Judge Brower's remarks concerning the prospective operation of such a decision."

Judge Brower also stated:

"In my opinion this court in changing the rule should clearly overrule *Grand Island Finance Co. v. Fowler*, *supra*, by name and the long line of cases stemming from it. That would avoid confusion and lend clarity to the opinion.

"However, in such a case a great number of important financial transactions have been consummated relying on the faith of these decisions of this court. We should not in my opinion endanger their validity by a decision acting retroactively."

In the case of *Stanton vs. Mattson*, Judge Boslaugh stated:

"I do not agree that all contracts which were made in conformity with an act of the Legislature that is subsequently declared invalid are, also, necessarily invalid. If, as this court has said, an unconstitutional act is, in legal contemplation, as inoperative as though it had never been passed, and the court cannot grant relief based upon it, the act should not be effective to invalidate contracts which were made in conformity with it.

"It seems to me that the validity of such contracts should be determined by the application of the law as it existed prior to the enactment of the invalid statute."

In the same case, Judge Brower stated:

"I concur with the opinion of the court in all respects except that I think the decision should be applied prospectively only."

LB 19 would protect those agreements entered into in good faith in reliance on the law as it was at the time the agreements were entered into.

If LB 19 had been in effect at the time the Court made its rulings, we would not be in the situation we are today.

LB 19 would also apply forwardly so that if any other statutes are held to be unconstitutional, those persons who relied upon them in good faith would not have those transactions invalidated only because the statutes they relied upon were subsequently held to be unconstitutional by the Court.

Visitors

Mr. Marvel introduced Don N. Cole and Patty Ann Cole.

Explanation of Vote

Mr. President: If I had been present I would have voted "yes" on LB 4 on Final Reading.

(Signed) Richard Lysinger

Visitors

Mr. Lysinger introduced Mr. John Rogers and Mr. Lewis K. Reinhardt from Scottsbluff, Nebraska.

UNANIMOUS CONSENT—Bills on Select File

Mr. Mahoney requested unanimous consent to consider bills on Select File.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 19.

Mr. Carpenter withdrew his pending motion, found in the Legislative Journal for the Sixteenth Day, to indefinitely postpone LB 19.

Mr. Stryker offered the following amendments which were adopted:

1. Amend the title of the Standing Committee amendment by inserting the following after the words, "Common Law Defenses", in line 14 thereof:

"To provide that such judicial decisions shall be given prospective effect only;"

To amend the next to last line of said title by striking the words: "or after", therefrom.

2. To amend Section 3 thereof by striking the words "or after" in line 3 thereof.

Mr. Kjar moved to advance LB 19 to E and R for engrossment.

Speaker Moulton Presiding

Mr. Skarda moved the previous question. The motion prevailed with 29 ayes, 0 nays and 14 not voting.

Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Print in Journal

Mr. Carpenter asked unanimous consent to have the 25 page pamphlet on penalties of the usury laws, prepared by a law firm, printed in the Journal.

The motion prevailed with 28 ayes, 7 nays and 8 not voting.

**LEGISLATURE HAS AUTHORITY TO REPEAL OR CHANGE
THE PENALTY OF THE USURY LAW - AND CAN
DO SO RETROACTIVELY**

Prepared by Kennedy, Holland, DeLacy & Svoboda

Date: October, 1963

LAW MEMORANDUM

The legal questions to which this memorandum will be addressed pertain to the power of the Nebraska Legislature to adopt

laws having retrospective or retroactive effect with regard to contracts entered into pursuant to the Installment Sales Act of 1959 and 1963, both of which have been declared to be unconstitutional by the Nebraska Supreme Court, insofar as such contracts are affected by the inhibitory or penalty provisions of the usury laws of this State. Stated otherwise, can the Nebraska Legislature adopt laws changing, reducing or eliminating the penalty, forfeiture or inhibitory provisions of the Installment Loan Act with regard to pre-existing contracts - and do so validly and constitutionally.

The following authorities, we submit, sustain the validity and constitutionality of such laws and warrant the option by the legislature of the remedial legislation which has been proposed.

Power of Legislature to Adopt Laws with Retrospective Effect

There is no prohibition in the Constitution of the State of Nebraska or in the Constitution of the United States prohibiting the Legislature to adopt laws operating retrospectively.

Article I, Section 9 of the Constitution of the United States provides:

"No bill of Attainder or ex post facto Law shall be passed."

Section 10 of Article I provides, among other things, that

"No State shall * * * pass any Bill of Attainder, ex post facto Law or Law Impairing the Obligation of Contracts * * *."

Similarly in Article I, Section 16 of the Constitution of the State of Nebraska it is provided:

"no bill of attainder, ex post facto law, or law impairing the obligation of contracts, or making any irrevocable grant of special privileges or immunities shall be passed."

The mere fact that a law is retrospective does not mean, in and of itself, that such a law would impair the obligation of a contract. In this connection, in *Satterlee v. Matthewson*, 2 Pet. 380, 7 L. Ed. 458, the Supreme Court of the United States made the following pertinent statements:

"* * * it is not easy to perceive how a law which gives validity to a void contract can be said to impair the obligation of that contract. Should a statute declare, contrary to the general principles of law, that contracts founded upon an illegal or immoral consideration, whether in existence at the time of passing the statute, or which might hereafter be entered into, should nevertheless be valid and binding upon the parties; all would admit the retrospective character of such an enactment, and that the effect of it was to create a contract between the parties where none had previously existed. But it surely can not be contended, that to create a contract, and to destroy and impair one, mean the same thing.

"* * * it is said to be retrospective. Be it so; but retrospective laws which do not impair the obligation of contracts, or partake of the character of ex post facto laws, are not condemned or forbidden by any part of that instrument (Constitution of the United States)."

In *Watson v. Mercer*, 8 Pet. 88, 8 L. Ed. 876, 884-5, the Supreme Court stated the following:

"The Constitution of the United States does not prohibit the States from passing retrospective laws generally, but only ex post facto laws. Now, it has been solemnly settled by this court that the phrase, ex post facto laws, is not applicable to civil laws, but to penal and criminal laws, which punish no party for acts antecedently done which were not punishable to the extent or in the manner prescribed. In short, ex post facto laws relate to penal and criminal proceedings which impose punishments or forfeitures, and not to civil proceedings which affect private rights retrospectively. (Citations omitted)."

In considering whether or not an act passed by the Pennsylvania Legislature which was designed to cure all defective acknowledgments in deeds so as to give them the same force and effect as if they had been originally taken in proper form, the court held that such an act, though operating retrospectively did not impair the obligation of a contract and stated:

"In the next place, does the Act of 1826 violate the obligation of any contract? In our judgment it certainly does not, either in its terms or its principles. It * * * only provides that deeds of conveyance made by them shall not be void, because there is a defective acknowledgment of the deeds by which they have sought to transfer their title. So far, then, as it has any legal operation, it goes to confirm and not to impair the contract of the *femes covert*. It gives the very effect to their acts and contracts which they intended to give * * *."

The Indiana Supreme Court in *Andrews v. Russell*, 7 Blackf. 474 (Ind. 1845), held that an act which repealed a prior usury law which rendered a usurious contract void to be valid and to operate retrospectively. The repealing law provided that usurious contracts shall not be void, but only the principal without interest could be recovered. The court commented on the validity of retrospective laws at page 476-7:

"Thus, we see that retrospective laws are not necessarily unconstitutional. That it is, in general, inexpedient and injurious to the public interest to pass them is not to be questioned. But a state of things may, and sometimes does exist, which renders retrospective legislation desirable, and highly equitable in its effects; * * * many usurious contracts had been made under the belief that nothing but the interest was jeopardized - contracts which never would have existed had the public been apprised of the real state of the law. Under these circumstances, we think the law can be vindicated on the score of sound policy and justice, as well as on that of constitutionality."

A "Healing Act" was adopted by the Connecticut Legislature validating the taking of a bonus for granting a loan and the payment of same on a monthly basis, was held to be valid and constitutional and further held to operate retrospectively to validate prior loan contracts. The court said the following with regard to the validity of retrospective laws and the basis for upholding the same, *Savings Bank v. Allen*, 28 Conn. 97, 101-2:

"It is not easy to see how the objection of the respondents can be sustained, except by taking the broad ground that a retroactive law is of course and under all circumstances to be treated as a nullity - a position which we can not believe any court in this country at the present time would be likely to assume; for healing enactments are found absolutely necessary, continually, and under all governments, to remedy the evils arising from human imperfections.

"This subject was thoroughly investigated in the case of *Goshen v. Stonington*, 4 Conn., 209, and the questions now raised were elaborately discussed and were supposed to be settled. The retroactive law objected to in that case was far more extensive in its effects than the statute of 1856. It made husbands and wives of persons who, except for its provisions, were single. It made children legitimate who were otherwise bastards. It altered settlements, and conferred new rights, and imposed new duties and restrictions upon towns and individuals. It changed lines of descent and deranged rules of property. The principle adopted was, in substance, that when a statute is expressly retroactive, and the object and effect of it is to correct an innocent mistake, remedy a mischief, execute the intention of parties, and promote justice, then, both as a matter of right and of public policy affecting the peace and welfare of the community, the law should be sustained."

In *Savings Bank of New-Haven v. Bates*, 8 Conn. 505, 510-11, the court sustained the validity of a statute which took away the defense of usury and validated all usurious contracts made before its passage. Stated -

"And whatever may be our opinion, as to the policy of retrospective laws, the right of the legislature to enact such laws, has been too often recognized, by this Court, to be now drawn in question. *Goshen v. Stonington*, 4 Conn. Rep. 209. *Bridgeport v. Hubbell*, 5 Conn. Rep. 137."

Also in this connection the Virginia Court in *Danville v. Pace*, 25 Gratt. 1, 18 Am. Rep. 663 stated the following with regard to the nature and purpose of usury laws:

"The usury laws are founded upon consideration of public policy. They are modified from time to time, and even abolished, as the popular sentiment may dictate, or the public interest require. * * * The statutes upon this subject are regarded as purely remedial, and subject to the modification and control of the legislative department, even as applied to past transaction." (Emphasis applied)

Nebraska Decisions

The Nebraska Supreme Court has many times recognized the power of the legislature to adopt retrospective laws. In the *City of Fremont v. Dodge County*, 130 Neb. 856, 868-9 the court said -

"That there exists a general power in the state governments to enact retrospective or retroactive laws is a point too well settled to admit of question at this day."

The court also adopted the following rule:

"In 59 C. J. 1179, we find: 'Curative statutes, by reason of their remedial and retrospective nature, are applicable not only to past transactions generally, but also to cases pending in the trial court, and, in some jurisdictions, upon appeal.'

'It is truly said that the bringing of suit vests in a party no right to a particular decision; and his case must be determined on the law as it stands, not when the suit is brought, but when judgment is rendered.' 2 Lewis Sutherland, *Statutory Construction* (2d ed.) sec. 677. See, also, *Cooley, Constitutional Limitations* (6th ed.) 469."

Section 49-301, Reissue Revised Statutes of Nebraska, 1943, confirms the power of the legislature to adopt laws with retrospective effect. This section is generally known as the "General Savings Statute". It provides -

"Whenever a statute shall be repealed, such repeal shall in no manner affect pending actions founded thereon, nor causes of action no in suit that accrued prior to any such repeal, *except as may be provided in such repealing statute.*" (Emphasis applied)

In *State ex rel. City of Grand Island v. Union Pacific R.R.*, 152 Neb. 772, 42 N. W. 2d 867, the court stated the following rules with regard to the retrospective effect of a statute in paragraphs 6, 7 and 8 of the syllabus:

"A legislative act will operate only prospectively unless the legislative intent and purpose that it should operate retrospectively is clearly disclosed.

"The general saving clause, section 49-301, R. S. 1943, applies as though it were expressly incorporated in a repealing act, unless abrogated therein.

"Such general saving clause is all-inclusive, and has the force and effect of saving all pending actions founded upon a statute repealed and all causes of action that accrued thereon prior to any such repeal, except where the repealing statute itself clearly discloses that it was not the intention of the Legislature that such rights and remedies should be saved."

In *Curtis v. Securities Acceptance Corp.* 166 Neb. 815, 824, 91 N. W. 2d 19, the court in considering the validity of a law which

eliminated the void penalty in certain sections of the Installment Loan Act. The judgment in the lower court had been entered after the amendatory law had been enacted. Thus it was asserted that with the repeal or amendment of the penalty section, any remedy based thereon was simultaneously repealed or rendered a nullity. The court disagreed with this contention - as applied to the facts involved.

However, the court stated the following which clearly evidences the fact that the legislature is empowered to retrospectively validate contracts which may have been illegal when formed:

"In that connection, as said in Restatement, Contracts, § 609, p. 1128: 'A bargain that is illegal when formed does not become legal * * * (b) by reason of a change of law, except where the Legislature manifests an intention to validate the bargain.' See, also, Comment a and illustration 2. p. 1129. *We find no legislative manifestation of any intention to retrospectively validate illegal bargains or contractual transactions such as here involved.*" (Emphasis applied.)

Validity of Penalty or Forfeiture Provision of Usury Statute Intended to Operate Retroactively with Regard to Contracts Entered into Prior to the Enactment of the Statute

In analyzing the subject stated above, various approaches are utilized. Most often more than one approach is considered. This is so because of the fact that they are overlapping in their application and the result obtained is usually the same regardless of the basis for the decision.

A provision in the usury act rendering the contract of loan to be void or prohibiting the recovery of usurious interest is almost universally held to constitute a penal statute or a penalty.

In *Curtis v. Leavitt*, 15 N. Y. 9, the court stated:

"The defense of usury is in the nature of a penalty or forfeiture, and may at any time be taken away by the Legislature, in respect to previous as well as to subsequent contracts, without trenching upon any vested right."

In the leading case of *Ewell v. Daggs*, 108 U. S. 143, 27 L. Ed. 682, 684, the court made the following comment with regard to the nature of a usury statute:

"The effect of the usury statute of Texas was to enable the party sued to resist a recovery against him of the interest which he had contracted to pay, and it was, in its nature, a penal statute inflicting upon the lender a loss and forfeiture to that extent. Such has been the general, if not uniform, construction placed upon such statutes. And it has been quite as generally decided that the repeal of such laws, without a saving clause, operated retrospectively, so as to cut off the defense for the future, even in actions upon contracts previously made. And

such laws, operating with that effect, have been upheld as against all objections, on the ground that they deprived parties of vested rights, or impaired the obligation of contracts. The very point was so decided in the following cases. *Curtis v. Leavitt*, 15 N. Y., 9; *Bank v. Allen*, 28 Conn., 97; *Welch v. Wadsworth*, 30 Conn., 149; *Andrews v. Russell*, 7 Blackf., 474; *Wood v. Kennedy*, 19 Ind., 68; *Danville v. Pace*, 25 Grat., 1; *Parmelee v. Lawrence*, 48 Ill., 331; *Woodruff v. Scruggs*, 27 Ark., 26."

In *Petterson v. Berry*, 125 Fed. 902 (9th Cir.), a loan had been made in Alaska which called for a rate of interest in excess of that permitted by the laws of Oregon which had been declared by Congress to be the laws in Alaska. The Oregon law provided that if the contract of loan was usurious, the entire debt contracted was forfeited. After the loan had been made, Congress adopted a new code for the territory of Alaska which increased the interest rate and changed the penalty for charging a rate in excess of that allowed to a forfeiture of the entire interest on the debt only - with no loss of principal. The court held that the Alaska code applied and not the prior Oregon law and stated the following:

"It is well settled that the defense of usury, either to the principal of a contract debt or to the interest thereon, is in the nature of a penalty or forfeiture, which may be taken away by legislation, both as respects previous as well as subsequent contracts."

In *Wood v. Kennedy*, 19 Ind. 68, the penalty provision of the usury act was repealed after the execution of a note. The former law prohibited the recovery of any interest if more than the maximum legal rate had been provided for or paid. The new law changed the penalty to loss of interest in excess of the maximum legal rate. The validity of the repealing statute was upheld and the court confirmed that it applied retroactively and prevented the assertion of the defense of usury based on the prior law - the law in effect at the time the note was executed. In this connection the court stated the following:

"The repeal of a statute inflicting penalties relieves unpunished parties who have incurred the penalties from punishment. *Thompson v. Basset*, 5 Ind. 535. The forfeiture of interest, on account of usury, is in the nature of a penalty; hence the repeal of the statute creating the forfeiture will relieve from it to the extent of the repeal."

See also *Engle v. Shurts*, 1 Mich. 150, in which the court held that when a statute repeals a prior statute imposing a penalty for taking usurious interest, without reservation or a savings clause, the penalty is gone and can not afterwards be recovered. The mere fact that the law prescribed a penalty at the time a contract was made did not prohibit the legislature from repealing the penalty with retrospective effect. In this instance the subsequent statute also authorized the recovery of principal and legal interest.

In *Kleckner v. Turk*, 45 Neb. 176, 65 N. W. 469, the court stated the following definition of a penal statute:

"A liability which is created by statute to follow as a consequence of the doing or omission of some act, and the extent of which is not measured or limited by the damage caused by the act or omission, is in the nature of a penalty and the statute penal in its character."

After stating this rule the court then said:

"Measured by these rules, which we believe to be correct, the section of our statutes under consideration must be classed as penal. * * * Section 139 was repealed * * * during the pendency of this action, and, as a general rule, the right of action given by it being one conferred solely by the statute, and penal, and not having been reduced to judgment before the repeal, the remedy would be abated or blotted out by such repeal. (*Bennet v. Hargus*, 1 Neb., 419; *Globe Publishing Co. v. State Bank*, supra, and cases cited; *Carr v. Rusher*, 50 Hun (N.Y.), 147; *Union Iron Co. v. Pierce*, 4 Biss. (U. S.), 327.)"

In *Fenton v. Markwell & Co.*, 52 Pac. 297 (Super. Ct. Cal.) the court held that the statutory provision in the usury law authorizing the recovery of treble the sum paid for interest on usurious loans was a penalty and when repealed could no longer be utilized as a defense with regard to loans made prior to the date of repeal. In this connection the court said:

"The sum recoverable under this provision of the act is a penalty (citations omitted) and so cannot be recovered after repeal of the statute providing for it. *Spears v. County of Modoc*, 101 Cal. 303, 35 P. 869. Even should this recovery not be deemed a penalty, the right to it is one created by and dependent for its enforcement on the statute, and the rule in such a case is that the right falls and the statutory remedy ceases with the repeal of the statute, without a savings clause, unless the right has been carried into a final judgment."

The court also stated -

"The defense of usury is in the nature of a statutory penalty upon the lender, and comes within the rule that repeal of a penal law releases the penalty imposed. * * * The repeal so construed does not deprive the borrower of a vested right, or impair the obligation of any contract."

In *Welch v. Wadsworth*, 30 Conn. 149, 79 Am. Dec. 236, the court stated the following with regard to the power of the legislature to repeal a penal statute with retroactive effect:

"* * * the legislature may repeal a penal statute, and by the act of repeal, unless there be some saving clause, all penalties fall, even if given to individuals, and suit has been brought and is pending for them. *Butler v. Palmer*, 1 Hill, 324. *Smith's Commentaries on Statute and Constitutional Law*, 892-896. The parties to usurious contracts hold any right they can be presumed to hold to the penalties given by the law, subject to a

modification or repeal by the legislature which may destroy them, and a consequent direct or indirect validation of their contracts. * * * But further, in 1827 the banks of the state had generally adopted the practice of computing interest by Rowlet's tables, based on a computation of three hundred and sixty days for the year. This was a matter of convenience, not of intentional usury. But it gave the banks about eight cents excess of interest on every hundred dollars, and contracts amounting to millions of dollars existed which were usurious and void. The legislature passed a confirming act, and its validity was recognized by this court in the case of *Savings Bank v. Bates*, 8 Conn., 595."

Impairment of Obligation of Contract or Interference with Vested Rights Not Involved in Repeal of Usury Penalty

In *Dell v. City of Lincoln*, 170 Neb. 176, 102 N. W. 2d 62, the court stated the following rule with regard to the retrospective operation of a legislative act in paragraph 12 of the syllabus:

"A legislative act will not be permitted, even if an attempt so to do is disclosed, to operate retrospectively where it will have the effect to invalidate or impair the obligation of contracts or interfere with vested rights."

When the penalty or forfeiture provision of a usury statute is repealed with retrospective effect, does the same impair their obligations of contract or interfere with vested rights. Most authorities agree that it does not.

Impairment of Obligation of Contract

Some of these decisions previously discussed confirm that the repeal of a usury penalty with retrospective effect does not impair the obligation of a contract. See *Watson v. Mercer*, 8 Pet. 88, 8 L. Ed. 876, and *Satterlee v. Matthewson*, 2 Pet. 380, 7 L. Ed. 458.

As the decisions state, rather than impairing the obligation of a contract, the repeal of a usury penalty provision in a statute actually confirms the contract the parties intended to make and thus validates them to the extent permitted by the repealing law.

The Indiana Court in *Andrews v. Russell*, 7 Blackf. 474, stated the following with regard to such a retrospective statute:

"Nor is the obligation of any contract impaired by this statute; on the contrary, its object is to give force and obligation to contracts which, before its passage, were illegal and void. It is retrospective, certainly; but that it is not unconstitutional for that reason is too well established to be questioned."

Similarly in *Wood v. Kennedy*, 19 Ind. 68, stated the following:

"The change made in the interest law, then, by the act of 1861, is mainly in relieving from penalties, or consequences in the

nature of penalties, and is not one impairing the obligation of the terms of the contract, but rather enforcing, or validating them. In such cases, the law in force at the time the remedy is sought upon the contract, governs."

Are any Vested Rights Affected By Act of Legislature Repealing Retrospectively the Penalty Provisions of Usury Law?

In *Parmelee v. Lawrence*, 48 Ill. 331, the legislature adopted an act changing the penalty for usury to loss of interest in excess of that which could lawfully been contracted for, in lieu of a prior more onerous provision. The court held that the law was constitutional and operated retrospectively and stated the following:

"But it is said this statute is unconstitutional. In this position we can not concur. It takes away no vested right, for the law recognizes no vested right in penalties. This principle is thoroughly well settled, and, as we shall presently show, has been constantly applied by this court to the penalties of usury laws. Neither does the act in question violate the obligation of a contract. It directs that in cases arising upon contracts entered into while the law of 1849 was in force, and before the law of 1857 was passed, the penalty for usury shall be a forfeiture of the excess of interest above what the parties might have lawfully contracted for, and no more. When this contract was made these parties might have lawfully contracted for ten per cent. The borrowers, however, agreed to pay more than that, namely twelve per cent. Can they complain of a law as violating a contract, which merely authorizes a judgment or decree against them for less than they had agreed to pay, and which, when they had agreed to pay more than lawful interest, requires them to pay only so much as was lawful?

"But it is urged by counsel***that by the obligation of a contract is meant its legal obligation, and that the laws in force when the contract was made entered into it, and show what was its legal obligation. This, as a general expression of the principle, is undoubtedly true, but it has never been understood to mean that parties acquire by their contracts a vested right in existing remedies or existing penalties."

In *Danville v. Pace*, 25 Gratt. 1, 18 Am. Rep. 663 the court, after noting that statutes against usury were regarded in Virginia as highly penal in their character, stated the following:

"Unless we suppose it is the deliberate purpose of the debtors when he borrows the money never to return it, the only effect of the statute is to compel him to do what he intended and agreed to do at the time of entering into the contract. It is a legislative declaration that the forfeiture shall not be enforced. It leaves the contract to be executed according to its terms and the original intention of the parties. It violates no vested right, unless it can be considered a vested right of the loaner to vacate his contract and annihilate his debt. Clearly this is not the kind of right the constitution was designed to protect.

"This conclusion would not be varied in the slightest degree by the passage of the legislative act after the institution of the

suit. It might be argued, with some degree of plausibility, that the plaintiff, having brought his suit, thereby acquires rights which cannot be affected by subsequent legislation; but it is difficult to perceive in what way an action against a party can confer upon him rights he did not possess independently of such action. If the right to rely upon the defense of usury is not in the nature of a vested constitutional right, secure against legislative invasion, the law-making power may certainly take away the privilege at any time before its actual exercise by the defendant."

See also *Welch v. Wadsworth*, 30 Conn. 149, 155-7, 79 Am. Dec. 236.

A service charge made by a bank in Mississippi was held by the Mississippi Supreme Court to constitute interest, rendering transactions in which it was made to be usurious. The Mississippi Legislature adopted a law modifying the usury statute by allowing banks to make such charges. It did so without incorporating a savings clause. The question presented was whether the new law nullified any right of action which existed prior to the adoption of the new law. The court concluded that there was no vested right granted the debtor under the usury law either by way of right of action or a defense so that they could be changed or modified or removed - even in pending suits before judgment. In this connection the court stated the following:

"Rights of action or defenses on account of usury are not a part of the common law. They are solely the creations of statute, and such statutes are in the nature of regulations in the public interest. Although a right conferred solely by statute in the public interest may have accrued before the repeal or modification, it does not follow that the accrued right in such cases is a vested right, in the constitutional sense. There is no vested right in the usury laws, which, therefore, may be repealed or changed so as to affect causes of action and defenses even in pending suits. 12 C. J., p. 974; 16 C. J. S., Constitutional Law, §254. By the great weight of authority, the legislature may repeal a usury law and no one has any vested right to take advantage of such laws. 12 Am. Jur. p. 65."

In 12 C. J., Constitutional Law, section 556, p. 973-4, it is stated:

"The accrual of, or commencement of a suit for, a forfeiture, fine, or a penalty imposed by statute does not give a vested right thereto which the legislature may not take away or impair. A few early cases, while admitting the power of the legislature to remit penalties that had accrued to the public, denied its power to remit those which had accrued to individuals. These cases have since been overruled or discredited, however, and the rule in favor of the legislative power to remit penalties that have accrued to individuals has been firmly established. No vested right to the penalty is acquired until final judgment for it is rendered. And while it has been held that a judgment of an inferior court final in form gives a vested right to a penalty which may not be taken away by a statute passed

pending an appeal, the weight of authority is to the contrary, and to the effect that the right to the penalty may be taken away at any time before plaintiff is entitled to his execution on the judgment as a matter of right."

Also, in 12 C. J. Constitutional Law, Section 557, p. 974, it is stated:

"There is no vested right in the usury laws which therefore may be repealed or changed so as to affect causes of action and defenses even in pending suits."

A Usury Law Deals with a Remedy—Which a Legislature Is Free to Change Retrospectively At Any Time.

In *Ewell v. Dagg*, 108 U.S. 143, 27 L. Ed. 682, a usury statute in force at the time the subject note and mortgage were executed provided that all contracts which contained a greater rate of interest than prescribed in the statute on any loan of money were void to the extent of the interest only. The note and mortgage involved were executed while this law was in effect. The note called for a greater rate of interest than the usury law permitted. Subsequently, the Constitution of Texas went into effect. It contained a provision repealing all usury laws. In the suit on the note the lender contended that with the repeal of the usury law, the borrower was prevented from raising any defense of usury. The borrower on the other hand contended the rights of the parties were to be determined in accordance with the law in force at the time the transaction was entered into. He further contended that since at that time the contract was void as to the entire interest reserved, no subsequent law could make a contract which originally was void into a valid binding agreement. The court disagreed.

In holding that the repeal of the usury law, without a savings clause, operated retrospectively so as to remove the defense of usury both in the future and with regard to contracts previously entered into but on which no final judgment had been obtained, after affirming the rule that the repeal of a penal statute, without a savings clause, operated retrospectively, stated the following principle:

"Independent of the nature of the forfeiture as a penalty, which is taken away by a repeal of the Act, the more general and deeper principle on which they are to be supported is, that the right of a defendant to avoid his contract is given to him by statute, for purposes of its own, and not because it affects the merits of his obligation; and that, whatever the statute gives, under such circumstances, as long as it remains in fieri, and not realized, by having passed into a completed transaction, may by a subsequent statute be taken away. It is a privilege that belongs to the remedy, and forms no element in the rights that inhere in the contract. The benefit which he has received as the consideration of the contract, which contrary to law he actually made is just ground for imposing upon him, by sub-

sequent legislation, the liability which he intended to incur. That principle has been repeatedly announced and acted upon by this court. Read v. Plattsmouth, decided at the present Term (ante, 414). And see Lewis v. McElvian, 16 Ohio, 347; Johnson v. Bently, Id., 97; Trustees v. McCaughy, 2 Ohio St., 155; Satterlee v. Matthews 16 S. & R., 169; 2 Pet., 380; Watson v. Mercer, 8 Pet., 88.

"The right which the curative or repealing Act takes away in such a case is the right in the party to avoid his contract, a naked legal right which it is usually unjust to insist upon, and which no constitutional provision was ever designed to protect. Cooley, Const. Lim., 378, and cases cited."

It should be noted that the Nebraska Supreme Court in *Gibson v. Sherman County*, 97 Neb. 79, quoted at length with approval from *Ewell v. Daggs*.

In *Matthews v. Guenther*, 120 Neb. 742-746, the court again approved the doctrine set forth in *Ewell v. Daggs* and stated the following:

"In *Gibson v. Sherman County*, 97 Neb. 79, this court, speaking through Sedgwick, J., has approved the doctrine as to usury announced by the supreme court of the United States in *Ewell v. Daggs*, 108 U. S. 143, in effect holding, 'the right of a defendant to avoid his contract is given to him by statute, for purposes of its own, and not because it affects the merits of his obligation,' and its penalties will be limited, supported and continued only when, and to the extent, the express terms thereof provide."

Similarly a justice of the Nebraska Supreme Court, in *War Finance Corporation v. Thornton*, 226 N. W. 454, made this observation:

"In the *Gibson Case* this court substantially without reservation quoted, approved, applied and in applying adopted the doctrine on the subject of usury announced by the supreme court of the United States in *Ewell v. Daggs*, 108 U. S. 143, 2 S. Ct. 408, 27 L. Ed. 682."

In *Iowa Savings & Loan Ass'n. v. Heidt*, 107 Iowa 297, 77 N. W. 1050, the court upheld the validity of a retrospective law which was intended to make valid pre-existing loans. In holding that the curative act merely removed the privilege of the borrower to plead usury, the court stated:

"As a general rule, it may be said the legislature can validate any acts which it might originally have authorized. * * * It is difficult to perceive what right the plaintiff in the case at bar was disturbed by the curative act, other than a mere privilege of pleading usury; and this pertains only to the remedy, which, it is uniformly held, may be altered at the legislative will. *Kossuth Co. v. Wallace*, 60 Iowa 508, 15 N. W. 305; *State v. Squires*, 26 Iowa, 340. So far as the payments made and fines imposed are concerned, they were in accord with the terms of defendant's contract. The effect of the subsequent legislation was not to change the agreement, but only to remove a bar to its enforcement."

In *Petterson v. Berry*, 125 Fed. 902, it was held that -

"Usury statutes do not affect the obligation of the contract, but pertain to the remedy only, by giving to the debtor the privilege of avoiding his contract when usurious, and their repeal, without a savings clause, takes away such privilege, even as to contracts previously made."

In *Baughner v. Nelson*, 9 Gill (Maryland) 299, 52 Am. Dec. 694, the court considered a legislative act which provided that any person who sought to avail himself of the defense of usury must specially plead the same and set out in the plea the sum actually due on the principal with interest at the legal rate. The court held that the law was clearly intended to apply to contracts which had been executed prior to its passage and further held that the same was a valid and constitutional exercise of legislative power insofar as the same operated on pre-existing contracts.

The borrower had contended that a contract of loan was tainted with usury at the time it was made and that it was thus void. Accordingly, he contended he was retrospectively divested of a vested and valuable right. However, the court rejected these arguments and stated that -

"* * * it is impossible to view the act * * * in any other light than as regulating the remedies with respect to such contracts, and in thus modifying and altering the remedy to impose upon the usurious borrower, as a condition on which alone he is to be relieved from the payment of the excessive interest, the performance only of a moral duty, from the discharge of which, no correct man should seek to escape.

* * *

"The doctrine announced in the cases to which we have adverted, stands upon the principle that the borrower is at all times and under all circumstances under a moral obligation to pay to the lender the sum actually loaned with legal interest, as a fair compensation for its use."

The court concluded as follows:

"What then does the act * * * profess to accomplish? The legislature in the exercise of its remedial authority, comes to the aid of the courts and declares that the borrower, who as a defendant, seeks to extricate himself from a usurious contract, shall do precisely what he is obliged to perform, when he asks to be protected against it in the position of a plaintiff. In this respect the statute is plainly remedial. *It is no more than the exercise of the legislative authority over the subject of remedies. A power which the legislature may unquestionably exercise at pleasure in relation to past as well as future contracts.*"

In *Woodruff v. Scruggs*, 27 Ark. 26, 11 Am. Rep. 777, the court considered a statute which repealed the penalty section of a prior usury statute. The penalty specified that if interest in an amount in excess of that authorized by law was contained in a note given

for the loan of money, the note "shall be void". The court commented on the act which repealed the usury statute as follows:

"The emphatic condemnation of the act * * * wherein it says, 'No plea of usury, nor defense founded upon any allegation of usury, shall be sustained in any court of this State,' is mandatory upon all courts and is only depriving defendants of the privilege of making a certain defense, which before was permitted. Such mandate, operating only upon the remedy, without destroying a right, the legislature was acting within its scope and power."

The Nebraska Court in *Bennet v. Hargus*, 1 Neb. 419, similarly stated the rule that the repeal of a statute affording a specified remedy, terminates the right to utilize the remedy itself. The court said:

"By a long course of judicial decisions it has become a settled principle that a right of action, or a remedy founded solely on a statute, or a pending suit to enforce such remedy, not prosecuted to judgment, is terminated by the repeal of such statute, without a provision for saving rights accrued under it, or suits already commenced to enforce them. The reason is apparent. If there be no such remedy at common law, then, after the unconditional repeal of the statute which created it, there is neither common law nor statute to uphold it. I need not cite authorities to sustain this position, which, as a general principle, I understand to be conceded."

In *Jones v. Davis*, 6 Neb. 33, the legislature had adopted a law changing the mode of ascertaining the value of property involved in a mortgage foreclosure. The court held that the law as changed applied to mortgages executed prior to the time the law became effective. In this connection the court stated:

"This we regard as in no sense impairing the obligation of the contract, but merely as a change of the remedy or mode of enforcing the contract, which is clearly within the control of the legislature."

The Use of the Term "Void" in the Penalty Section of a Usury Statute Really Means "Voidable" and Such Penalties May Be Changed by Legislative Act with Retrospective Effect.

The United States Supreme Court in *Ewell v. Dagg*s, 108 U. S. 143, 27 L. Ed. 682, considered a Texas statute which provided that loan contracts which contained a greater rate of interest than allowed "shall be void and of no effect for the whole premium or rate of interest * * *." In arriving at its decision the court considered the meaning of the term "void" as used in the usury law and stated the following:

"It is quite true that the usury statute referred to declares the contract of loan, so far as the whole interest is concerned, to be void and of no effect. But these words are often used in statutes and legal documents, such as deeds, leases, bonds, mortgages and others, in the sense of voidable merely, that is, capable of

being avoided, and not as meaning that the act or transaction is absolutely a nullity, as if it never had existed, incapable of giving rise to any rights or obligations under any circumstances. Thus we speak of conveyances void as to creditors, meaning that creditors may avoid them, but not others. Leases which contain a forfeiture of the lessee's estate for non-payment of rent, or breach of other condition, declare that on the happening of the contingency the demise shall thereupon become null and void, meaning that the forfeiture may be enforced by re-entry, at the option of the lessor. It is sometimes said that a deed obtained by fraud is void, meaning that the party defrauded may, at his election, treat it as void.

"All that can be meant by the term, according to any legal usage, is that a court of law will not lend its aid to enforce the performance of a contract which appears to have been entered into by both the contracting parties for the express purpose of carrying into effect that which is prohibited by the law of the land.

* * *

"A distinction is made between acts which are mala in se, which are generally regarded as absolutely void, in the sense that no right or claim can be derived from them; and acts which are mala prohibita, which are void or voidable, according to the nature and effect of the act prohibited. *Fletcher v. Stone*, 3 Pick., 250. It was accordingly held in Massachusetts that a mortgage or assurance given on a usurious consideration, was only voidable, notwithstanding the strong words of the statute. *Green v. Kemp*, 13 Mass. 515. And, in such cases, the advance of the money, although the contract is illegal, for usury, is a meritorious consideration, sufficient to support a subsequent liability or promise, when the positive bar of the statute has been removed. 'A man by express promise may render himself liable to pay back money which he had received as a loan, though some positive rule of law or statute intervened at the time to prevent the transaction from constituting a legal debt.' *Flight v. Reed*, 1 H. & C. 703; 32 L. J. (N. S.) Exch., 265."

The court thus held that the use of the term "void" in the usury law really meant "voidable" and as such the usury law could be repealed or the void penalty eliminated by a subsequent act of the legislature, with retrospective effect.

In *Woodruff v. Scruggs*, 27 Ark. 26, 11 Am. Rep. 777, the court considered the use of the term "void" in the penalty section of a usury law and stated the following with regard to its meaning and significance:

"The Chancellor, in the case of *Wilson v. Hardesty*, 1 Md., 66, made use of the following language: 'Notwithstanding the language of the act of 1704 is so strong, it is very certain that contracts within its provisions are not, under all circumstances, treated as merely void.' This was a case where the complainant was seeking to avoid the contract because it was usurious, as the statute of Maryland declared that all such contracts were absolutely void. The contract, in the present case, was wrong, only, because the statute prohibited more than ten per centum,

and was wrong, only, to the additional interest expressed on the face of the note. For that wrong the statute said the contract should be void. Since then, the legislature has taken away this penalty and has said, in effect, such contracts are valid. That it had the power to do this admits of no serious question."

In *Fenton v. Markwell & Co.*, 52 Pac. 297 (Super. Ct. Cal.) the court confirmed the following rule:

"While the general rule is that if a contract is void by the law in force at the time it is made, the subsequent repeal of the law will not validate such contract, statutes changing the law relating to usury are an exception to this rule."

In 16A, C. J. S., Constitutional Law, Section 358, at page 31, it is stated:

"A statute may not be declared unconstitutional on the ground that it gives binding force to a voluntary agreement void or unenforceable when made. Acts validating usurious loans and those perfecting defective conveyances may be mentioned as examples of this class of legislation."

In *McIntosh v. Johnson*, 51 Neb. 33, 70 N. W. 522, a statute passed for the purpose of legalizing prior contracts made by a county treasurer for the deposit of public funds and empowering such treasurers to collect the same by suit was considered. The court held that the law was definitely intended to have a retroactive effect and stated the following:

"There is nothing, either in the title or the body of the act, which indicates the least intention on the part of the legislature that the law should operate retroactively alone. On the contrary, it is manifest that it cannot be so construed if effect is given to each word and clause of the statute in question. That it was the purpose to legalize actions then pending for the recovery of public moneys brought by an officer either in his individual name or officially, *and also to legalize prior contracts* for the deposit of such money cannot be successfully disputed * * *."

SELECT FILE

LEGISLATIVE BILL 17.

The pending Gottschalk amendments, found in the Legislative Journal for the Sixteenth Day, were adopted by unanimous consent.

Mr. Kjar moved to advance LB 17 to E and R for engrossment.

President Burney Presiding

Mr. Carpenter asked for a record vote.

Voting in the affirmative, 19:

Bahensky	Fleming	Kremer	Ruhnke
Brandt	Gerhart	Mahoney	Russillo
Burbach	Gottschalk	Moulton	Stalder
Craft	Hasebroock	Payne	Stryker
Damrow	Kjar	Rasmussen, R.	

Voting in the negative, 17:

Adamson	Klaver	Orme	Stromer
Carpenter	Lysinger	Rasmussen, E.	Syas
Claussen	Marvel	Reeves	Warner
Forrester	Nelson	Skarda	Wylie
Gerdes			

Not voting, 7:

Bowen	Danner	Foster	Thompson
Bridenbaugh	Erlewine	McGinley	

Advanced to E and R for engrossment.

LEGISLATIVE BILL 9. E and R amendments found in today's Legislative Journal were adopted.

Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Report from Bill Drafter

Mr. Ruhnke asked unanimous consent to have the Bill Drafter inform the Legislature what procedure they must use for LB 11, LB 16, LB 17 and LB 18.

No objections. So ordered.

The Bill Drafter discussed the positions of the various bills.

UNANIMOUS CONSENT—Expedite LB 17

Mr. Ruhnke asked unanimous consent to have the E and R Committee expedite LB 17 on E and R for engrossment.

No objections. So ordered.

MOTION—Return LB 11 to General File

Mr. Carpenter moved to return LB 11 to General File for the following specific amendment:

1. Amend the Standing Committee Amendments, Sec. 3, Line 7, by striking "12" and inserting "15".

Motion pending.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 24. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

Recess

At 11:54 a.m., on a motion by Mr. Carpenter, the Legislature recessed until 2:00 p.m.

After Recess

The Legislature reconvened at 2:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. Danner and Foster who were excused.

Member Excused

Mr. R. Rasmussen asked to be excused for Thursday, November 14.

SELECT FILE**LEGISLATIVE BILL 11.**

The pending Carpenter motion found in today's Journal lost with 11 ayes, 30 nays and 2 not voting.

LEGISLATIVE BILL 20.

Mr. Marvel offered the following amendments which were adopted by unanimous consent:

1. Amend section 1 of the bill by striking lines 4 to 7, and in line 8 by striking the words "provided for by this act", and inserting in lieu thereof:

"Sec. 5. From such sums as may be appropriated by the Legislature, payment the Medical Care for the Aged Fund and the funds appropriated by the Legislature to the Department of Public Welfare for administration and payment of medical assistance for the aged, the department shall make allocations to the county treasurer of each county of the state in the proportion which the total need of the county bears to the total need of the state. Medical assistance for the aged payments shall be made by county warrant directly to the vendor vendors of medical services provided for by this act."

2. Amend the title of the bill, line 5 by inserting "to provide for allocation of funds to counties as prescribed;" after the semicolon.

Advanced to E and R for re-engrossment.

MOTION—Return LB 7 to Select File

Mr. Marvel moved to return LB 7 to Select File for the following specific amendment:

1. Amend original section 7 of the bill, line 55, by inserting "Medical Assistance for the Aged," before "State".

The motion prevailed with 38 ayes, 0 nays and 5 not voting.

SELECT FILE

LEGISLATIVE BILL 7.

The pending Marvel specific amendment found in today's Journal was adopted by unanimous consent.

Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Return LB 24 to Select File

Mr. Russillo requested unanimous consent to return LB 24 to Select File for the following specific amendments:

1. Amend section 1, lines 13 and 14 as follows:

Strike "six" and substitute "twelve".

2. Amend the title to conform.

SELECT FILE

LEGISLATIVE BILL 24.

The pending Russillo specific amendments found in today's Journal were adopted by unanimous consent.

Advanced to E and R for engrossment.

Presented to the Governor

November 13, 1963

Mr. President:

Your Assistant Clerk respectfully reports that he has on this day, at 2:15 p.m. presented to the Governor for his approval: Legislative Bill 8.

(Signed) Duane Hubbard
Assistant Clerk

RESOLUTIONS**LEGISLATIVE RESOLUTION 3.** Re: Private Letter to Director of Welfare.

Introduced by Harold B. Stryker, 17th District; Ross H. Rasmussen, 11th District; and LeRoy Bahensky, 29th District.

WHEREAS, the 1957 Session of this Legislature provided for the licensing and regulation of all persons offering accounting services to the public; and

WHEREAS, the Legislature by repeated action in the passage of Legislative Bill 436 in 1961 and the passage of Legislative Bills 392, 472, and 349 in the Seventy-third Session has maintained equality of opportunity for all of such licensed accountants; and

WHEREAS, the consent of the Legislature during the Seventy-third Session to the printing of a letter to the Director of Public Welfare in the Journal (page 1549) has been construed as a limitation on such equality of opportunity and a requirement of discrimination between the work of such licensed accountants.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. That this Legislature declares that the inclusion of such private letter in the Journal neither imposed a limitation upon the Director of Welfare beyond that expressed by statute nor in any way expanded or diminished his obligations in the performance of his duties under Legislative Bill 352 or in the acceptance of proper certifications of hospital costs by licensed accountants.

2. That the Clerk of the Legislature forward a copy of this resolution, suitably engrossed, to the Director of the Department of Welfare.

LEGISLATIVE RESOLUTION 4. Re: Television Study by Competent Engineers.

Introduced by William S. Moulton, 10th District; George H. Fleming, 43rd District.

WHEREAS, the Nebraska Educational Television Commission is charged with providing a television educational program; and

WHEREAS, a thorough study should be made by competent engineers so that the people of the state receive the best educational program possible.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. That the Nebraska Educational Television Commission make no commitments for construction or do any constructing of educational television stations until a thorough television study has been made by competent engineers.

2. That a copy of this resolution, suitably engrossed be sent by the Clerk of the Legislature to the chairman of the Nebraska Educational Television Commission.

Announcement—Committee

Mrs. Orme announced that there would be a meeting of the Intergovernmental Cooperation Committee in the West Senate Lounge immediately after recess.

Members Excused

Messrs. Craft and Forrester asked to be excused for the remainder of the day.

Recess

At 3:08 p.m., on a motion by Mr. Ruhnke, the Legislature recessed until 4:00 p.m.

After Recess

The Legislature reconvened at 4:00 p.m., Speaker Moulton presiding.

The roll was called and all members were present except Messrs. Craft, Danner, Forrester, Foster and McGinley who were excused.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 17. Replaced on Select File as amended.

E and R amendments to LB 17:

1. Gottschalk Amendment 1, adopted November 13, 1963, line 3, show the word "such" as new matter.

2. Gottschalk Amendment 2, adopted November 13, 1963, lines 3 and 5, show "the penalty provisions of" as new matter.

(Signed) Eugene T. Mahoney, Chairman

Mr. Ruhnke asked unanimous consent to consider the E and R amendments to LB 17.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 17. E and R amendments found in today's Legislative Journal were adopted.

Mr. Gottschalk offered the following amendment which was adopted:

1. Strike the Gottschalk Amendment to section 7, adopted November 12, 1963.

Advanced to E and R for engrossment.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 17. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

Message from the Governor

November 13, 1963

The President, the Speaker,
and Members of the Legislature:

This is to inform your honorable body that on November 13, 1963, I approved LB 8.

Respectfully,

(Signed) Frank B. Morrison
Governor

FBM:f

Adjournment

At 4:09 p.m., on a motion by Mr. Carpenter, the Legislature adjourned until 11:00 a.m., November 14, 1963.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

EIGHTEENTH DAY

Legislative Chamber, Lincoln, Nebraska
Thursday, November 14, 1963

Pursuant to adjournment, the Legislature met at 11:00 a.m., President Burney presiding.

Prayer was offered by Mrs. Orme.

The roll was called and all members were present except Mr. E. Rasmussen who was excused.

Corrections for the Journal

Page 124, line 22, after Bridenbaugh, delete "17" and insert "13".

Page 137, line 38, after "according", insert a "t" before the "o".

Page 145, line 38, correct the spelling of "usury".

Page 149, line 41, correct the spelling of "deliberate".

Visitors

Mr. Syas introduced Mrs. George Stejagal, President of the Omaha Council P.T.A., Mrs. Edwin Ingraham, Legislation Chairman, and 80 members representing the 30 thousand P.T.A. members in Omaha.

Mr. Moulton introduced 35 8th grade students, 5 parents, Principal Mr. Lewis and Teacher, Mrs. Duff, from the Millard School.

Mrs. Orme introduced Baron Felix von Vittinghoff-Schell from Germany.

Announcement

Mr. Craft reminded the members of the Interim Study Committee on Road Classification that they were to have a meeting at 1:30 p.m. in the Highway Commission office.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 19. Replaced on Select File as amended.

E and R amendments to LB 19:

1. Specific Amendment 1 of Harold B. Stryker, adopted November 13, 1963, lines 2 and 3, remove the capitalization from the words "Common Law Defenses"; in line 3, strike "14" and insert "15"; in line 4, strike "To" and insert "; to"; in line 5, strike the semicolon; and in line 7, remove the underscoring from the words "or after".

2. Specific Amendment 2 of Harold B. Stryker, adopted November 13, 1963, line 1, remove the underscoring from the words "or after".

LEGISLATIVE BILL 9. Correctly engrossed.

LEGISLATIVE BILL 4. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 4.

MOTION—Send Flowers

Mr. Kremer moved to send flowers to Rev. Schroeder who is in the hospital.

The motion prevailed.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 15. With emergency.

A BILL FOR AN ACT to appropriate all receipts of the Retail Installment Sales Fund for the purpose of making refunds; to provide the manner such refunds shall be paid; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 42:

Adamson	Bridenbaugh	Craft	Fleming
Bahensky	Burbach	Damrow	Forrester
Bowen	Carpenter	Danner	Foster
Brandt	Claussen	Erlewine	Gerdes

Gerhart	Mahoney	Rasmussen, R.	Stromer
Gottschalk	Marvel	Reeves	Stryker
Hasebroock	McGinley	Ruhnke	Syas
Kjar	Moulton	Russillo	Thompson
Klaver	Nelson	Skarda	Warner
Kremer	Orme	Stalder	Wylie
Lysinger	Payne		

Voting in the negative, 0:

Not voting, 1:

Rasmussen, E.

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 1. With emergency.

A BILL FOR AN ACT to amend sections 72-222, 72-224.02 and 72-224.03, Reissue Revised Statutes of Nebraska, 1943, relating to school lands; to provide that watershed conservancy districts and watershed districts may acquire educational lands by eminent domain, and in addition may acquire an easement or right-of-way for the purpose of constructing, replacing, operating, and maintaining structures over such lands; to provide for damages; to provide for the procedure for condemnation proceedings; to provide for an award and the effect thereof; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 42:

Adamson	Erlewine	Lysinger	Ruhnke
Bahensky	Fleming	Mahoney	Russillo
Bowen	Forrester	Marvel	Skarda
Brandt	Foster	McGinley	Stalder
Bridenbaugh	Gerdes	Moulton	Stromer
Burbach	Gerhart	Nelson	Stryker
Carpenter	Gottschalk	Orme	Syas
Claussen	Hasebroock	Payne	Thompson
Craft	Kjar	Rasmussen, R.	Warner
Damrow	Klaver	Reeves	Wylie
Danner	Kremer		

Voting in the negative, 0:

Not voting, 1:

Rasmussen, E.

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

MOTION—Escort Visitor

Mr. Carpenter moved to have Mrs. Orme escort Baron Felix von Vittinghoff-Schell to the rostrum.

The motion prevailed and Mrs. Orme escorted Baron Felix von Vittinghoff-Schell to the rostrum where he addressed the Legislature briefly.

Visitors

President Burney introduced Miss Margaret Dawes, Mrs. Wallace A. Hardin and Miss Eileen Dah of Dublin, Ireland.

UNANIMOUS CONSENT—Consider Motion

Mr. Klaver requested unanimous consent to consider his pending motion found on page 119 of the Legislative Journal for the Sixteenth Day.

No objections. So ordered.

Speaker Moulton Presiding

Recess

At 12:10 p.m., on a motion by Mr. Nelson, the Legislature recessed until 2:00 p.m.

After Recess

The Legislature reconvened at 2:00 p.m., President Burney presiding.

The roll was called and all members were present except Messrs. McGinley and E. Rasmussen who were excused.

Debate on the Klaver pending motion continued.

Mr. Craft moved the previous question. The motion lost with 18 ayes, 20 nays and 5 not voting.

Visitors

Mr. Stromer introduced 70 children from St. Mary's School, Sister Mary Geraldette and Sister Mary Jamesine.

Mr. Ruhnke moved the previous question. The motion prevailed with 26 ayes, 8 nays and 9 not voting.

Speaker Moulton Presiding

The Klaver motion lost with 10 ayes, 31 nays and 2 not voting.

Nebraska Educational Television Commission:

Vote on Mr. Maresh

Voting in the affirmative, 31:

Adamson	Erlewine	Kjar	Ruhnke
Bahensky	Fleming	Kremer	Stalder
Bowen	Forrester	Marvel	Stromer
Brandt	Foster	McGinley	Stryker
Burbach	Gerdes	Nelson	Thompson
Claussen	Gerhart	Orme	Warner
Craft	Gottschalk	Rasmussen, R.	Wylie
Damrow	Hasebroock	Reeves	

Voting in the negative, 8:

Carpenter	Klaver	Payne	Skarda
Danner	Mahoney	Russillo	Syas

Not voting, 4:

Bridenbaugh	Lysinger	Moulton	Rasmussen, E.
-------------	----------	---------	---------------

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Maresh confirmed.

Vote on Mrs. Frank

Voting in the affirmative, 32:

Adamson	Erlewine	Kjar	Reeves
Bahensky	Fleming	Kremer	Ruhnke
Bowen	Forrester	Marvel	Stalder
Brandt	Foster	McGinley	Stromer
Burbach	Gerdes	Moulton	Stryker
Claussen	Gerhart	Nelson	Thompson
Craft	Gottschalk	Orme	Warner
Damrow	Hasebroock	Rasmussen, R.	Wylie

Voting in the negative, 8:

Carpenter	Klaver	Payne	Skarda
Danner	Mahoney	Russillo	Syas

Not voting, 3:

Bridenbaugh	Lysinger	Rasmussen, E.
-------------	----------	---------------

Having received a majority of the votes of all members, the Speaker declared the appointment of Mrs. Frank confirmed.

Vote on Dr. Watkins

Voting in the affirmative, 31:

Adamson	Erlewine	Kjar	Ruhnke
Bahensky	Fleming	Kremer	Stalder
Bowen	Forrester	Marvel	Stromer
Brandt	Foster	McGinley	Stryker
Burbach	Gerdes	Nelson	Thompson
Claussen	Gerhart	Orme	Warner
Craft	Gottschalk	Rasmussen, R.	Wylie
Damrow	Hasebroock	Reeves	

Voting in the negative, 8:

Carpenter	Klaver	Payne	Skarda
Danner	Mahoney	Russillo	Syas

Not voting, 4:

Bridenbaugh	Lysinger	Moulton	Rasmussen, E.
-------------	----------	---------	---------------

Having received a majority of the votes of all members, the Speaker declared the appointment of Dr. Watkins confirmed.

Vote on Mr. Minnick

Voting in the affirmative, 31:

Adamson	Erlewine	Kjar	Ruhnke
Bahensky	Fleming	Kremer	Stalder
Bowen	Forrester	Marvel	Stromer
Brandt	Foster	McGinley	Stryker
Burbach	Gerdes	Nelson	Thompson
Claussen	Gerhart	Orme	Warner
Craft	Gottschalk	Rasmussen, R.	Wylie
Damrow	Hasebroock	Reeves	

Voting in the negative, 8:

Carpenter	Klaver	Payne	Skarda
Danner	Mahoney	Russillo	Syas

Not voting, 4:

Bridenbaugh	Lysinger	Moulton	Rasmussen, E.
-------------	----------	---------	---------------

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Minnick confirmed.

Vote on Dr. Maxson

Voting in the affirmative, 31:

Adamson	Erlewine	Kjar	Ruhnke
Bahensky	Fleming	Kremer	Stalder
Bowen	Forrester	Marvel	Stromer
Brandt	Foster	McGinley	Stryker
Burbach	Gerdes	Nelson	Thompson
Claussen	Gerhart	Orme	Warner
Craft	Gottschalk	Rasmussen, R.	Wylie
Damrow	Hasebroock	Reeves	

Voting in the negative, 8:

Carpenter	Klaver	Payne	Skarda
Danner	Mahoney	Russillo	Syas

Not voting, 4:

Bridenbaugh	Lysinger	Moulton	Rasmussen, E.
-------------	----------	---------	---------------

Having received a majority of the votes of all members, the Speaker declared the appointment of Dr. Maxson confirmed.

Vote on Mr. Danielson

Voting in the affirmative, 31:

Adamson	Erlewine	Kjar	Ruhnke
Bahensky	Fleming	Kremer	Stalder
Bowen	Forrester	Marvel	Stromer
Brandt	Foster	McGinley	Stryker
Burbach	Gerdes	Nelson	Thompson
Claussen	Gerhart	Orme	Warner
Craft	Gottschalk	Rasmussen, R.	Wylie
Damrow	Hasebroock	Reeves	

Voting in the negative, 8:

Carpenter	Klaver	Payne	Skarda
Danner	Mahoney	Russillo	Syas

Not voting, 4:

Bridenbaugh Lysinger Moulton Rasmussen, E.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Danielson confirmed.

State Employees Retirement Board:

Vote on Mr. Jones

Voting in the affirmative, 38:

Adamson	Forrester	Marvel	Russillo
Bahensky	Foster	McGinley	Skarda
Bowen	Gerdes	Moulton	Stalder
Brandt	Gerhart	Nelson	Stromer
Burbach	Gottschalk	Orme	Stryker
Claussen	Hasebroock	Payne	Syas
Craft	Kjar	Rasmussen, R.	Thompson
Damrow	Klaver	Reeves	Warner
Erlewine	Kremer	Ruhnke	Wylie
Fleming	Mahoney		

Voting in the negative, 2:

Carpenter Danner

Not voting, 3:

Bridenbaugh Lysinger Rasmussen, E.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Jones confirmed.

Board of Educational Lands and Funds:

Vote on Mr. DeLay

Voting in the affirmative, 37:

Adamson	Forrester	Marvel	Russillo
Bahensky	Foster	McGinley	Skarda
Bowen	Gerdes	Moulton	Stalder
Brandt	Gerhart	Nelson	Stromer
Burbach	Gottschalk	Orme	Stryker
Claussen	Hasebroock	Payne	Syas
Craft	Kjar	Rasmussen, R.	Thompson
Damrow	Kremer	Reeves	Warner
Erlewine	Mahoney	Ruhnke	Wylie
Fleming			

Voting in the negative, 2:

Carpenter Danner

Not voting, 4:

Bridenbaugh Klaver Lysinger Rasmussen, E.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. DeLay confirmed.

State Board of Health:

Vote on Dr. Payne

Voting in the affirmative, 35:

Adamson	Fleming	Mahoney	Ruhnke
Bahensky	Forrester	Marvel	Russillo
Bowen	Foster	McGinley	Stalder
Brandt	Gerdes	Moulton	Stromer
Burbach	Gerhart	Nelson	Stryker
Claussen	Gottschalk	Orme	Thompson
Craft	Hasebroock	Payne	Warner
Damrow	Kjar	Rasmussen, R.	Wylie
Erlewine	Kremer	Reeves	

Voting in the negative, 4:

Carpenter Danner Skarda Syas

Not voting, 4:

Bridenbaugh Klaver Lysinger Rasmussen, E.

Having received a majority of the votes of all members, the Speaker declared the appointment of Dr. Payne confirmed.

Vote on Mr. Fowler

Voting in the affirmative, 33:

Adamson	Fleming	Kremer	Ruhnke
Bahensky	Forrester	Marvel	Russillo
Bowen	Foster	McGinley	Stalder
Brandt	Gerdes	Moulton	Stromer
Burbach	Gerhart	Nelson	Stryker
Claussen	Gottschalk	Orme	Thompson
Craft	Hasebroock	Rasmussen, R.	Warner
Damrow	Kjar	Reeves	Wylie
Erlewine			

Voting in the negative, 5:

Carpenter	Mahoney	Skarda	Syas
Danner			

Not voting, 5:

Bridenbaugh	Lysinger	Payne	Rasmussen, E.
Klaver			

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Fowler confirmed.

Nebraska Oil and Gas Conservation Commission:

Vote on Mr. Smith

Voting in the affirmative, 36:

Adamson	Fleming	Marvel	Russillo
Bahensky	Forrester	McGinley	Skarda
Bowen	Foster	Moulton	Stalder
Brandt	Gerdes	Nelson	Stromer
Burbach	Gerhart	Orme	Stryker
Claussen	Gottschalk	Payne	Syas
Craft	Hasebroock	Rasmussen, R.	Thompson
Damrow	Kjar	Reeves	Warner
Erlewine	Kremer	Ruhnke	Wylie

Voting in the negative, 2:

Carpenter	Danner
-----------	--------

Not voting, 5:

Bridenbaugh	Lysinger	Mahoney	Rasmussen, E.
Klaver			

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Smith confirmed.

MOTION—Vote on Appointment Confirmation

Mr. Gerdes moved that the machine vote be shown as a record vote on appointment confirmations.

The motion prevailed with 36 ayes, 2 nays and 5 not voting.

Visitors

Mr. Brandt introduced his wife, Mrs. William B. Brandt, his daughter, Joan, and his aunt, Miss Emmaline Stilwell.

SELECT FILE

LEGISLATIVE BILL 19. E and R amendments found in today's Legislative Journal were adopted.

Advanced to E and R for engrossment.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 19. Correctly engrossed.

LEGISLATIVE BILL 20. Correctly re-engrossed.

(Signed) Eugene T. Mahoney, Chairman

MOTION—Suspend Rules-Vote on LB 17

Mr. Kjar moved to suspend rules and vote on LB 17 on Friday, November 15, 1963 on Final Reading.

The motion prevailed with 36 ayes, 0 nays and 7 not voting.

President Burney Presiding

MOTION—Return LB 11 to General File

Mr. Payne moved to return LB 11 to General File for the following specific amendment:

Amend the bill, section 8, line 21, by adding, following the numerals 21-1753, the following new matter:

“, and any new or used motor vehicle dealer or trailer dealer operating under a license duly issued pursuant to Chapter 60, Article 14, Reissue Revised Statutes, 1943, as amended by Legislative Bill 648, Seventy-third Session of the Nebraska State Legislature, 1963.”

Motion pending.

Adjournment

Mr. Ruhnke moved to adjourn.

Mr. Stryker moved to amend the Ruhnke motion until 8:30 a.m. The Stryker motion to amend the Ruhnke motion prevailed with 24 ayes, 12 nays and 7 not voting.

The Ruhnke motion as amended by the Stryker motion lost.

Mr. Klaver moved to adjourn until 8:15 a.m.

The Klaver motion lost.

At 4:02 p.m., on a motion by Mr. Ruhnke, the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

NINETEENTH DAY

Legislative Chamber, Lincoln, Nebraska
Friday, November 15, 1963

Pursuant to adjournment, the Legislature met at 9:00 a.m.,
President Burney presiding.

Prayer was offered by Mr. Danner.

The roll was called and all members were present.

The Journal for the Eighteenth Day was approved.

Presented to the Governor

November 15, 1963

Mr. President:

Your Assistant Clerk respectfully reports that he has on this
day, at 8:00 a.m. presented to the Governor for his approval:
Legislative Bill 4.

(Signed) Duane Hubbard
Assistant Clerk

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 16. With emergency

A BILL FOR AN ACT relating to agreements pertaining to
purchase of personal property on a deferred or installment payment
basis; to declare public policy in view of recent decisions of the
Supreme Court of Nebraska with regard to said agreements; to
define such agreements and provide that the same include retail
installment contracts entered into pursuant to the Installment Sales
Act, namely, Legislative Bill 811, enacted at the Seventy-third
Session, Nebraska State Legislature, 1963, or the act repealed by it,
namely, sections 45-301 to 45-312, Reissue Revised Statutes of Ne-
braska, 1943, and also revolving charge agreements entered into
pursuant to sections 45-201 to 45-203, Reissue Revised Statutes of
Nebraska, 1943, in the event the latter said act is held to be
unconstitutional for any reason and the inhibitory provisions thereof,

including the penalty or forfeiture provisions, rendered inoperative on that account; to resolve legislatively a conflict in the provisions of section 45-105, Reissue Revised Statutes of Nebraska, 1943, and the provisions of sections 45-114 to 45-158, Reissue Revised Statutes of Nebraska, 1943, as amended by Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963; to amend section 45-105, Reissue Revised Statutes of Nebraska, 1943, section 45-101, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 546, Seventy-third Session, Nebraska State Legislature, 1963, and section 45-102, Revised Statutes Supplement, 1961, as amended by section 2, Legislative Bill 546, Seventy-third Session, Nebraska State Legislature, 1963; to prescribe the limit on interest and penalty or forfeiture provisions applicable to any such agreement if judicially determined to constitute a loan with interest; to provide that the provisions of this act shall apply to agreements made prior to the effective date of this act, except those agreements on which a final judgment has been obtained as of the effective date of this act; to provide a severability clause; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 34:

Adamson	Foster	Mahoney	Ruhnke
Bahensky	Gerdes	Marvel	Russillo
Brandt	Gerhart	Moulton	Skarda
Bridenbaugh	Gottschalk	Nelson	Stalder
Burbach	Hasebroock	Payne	Stryker
Craft	Kjar	Rasmussen, E.	Thompson
Damrow	Klaver	Rasmussen, R.	Warner
Fleming	Kremer	Reeves	Wylie
Forrester	Lysinger		

Voting in the negative, 6:

Carpenter	McGinley	Stromer	Syas
Danner	Orme		

Not voting, 3:

Bowen	Claussen	Erlewine
-------	----------	----------

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

MOTION—Suspend Rules

Mr. Carpenter moved to suspend the rules and be permitted to speak on Legislative Bill 18.

The motion prevailed with 29 ayes, 6 nays and 8 not voting.

LEGISLATIVE BILL 18. With emergency.

A BILL FOR AN ACT to amend section 8-432, Reissue Revised Statutes of Nebraska, 1943, relating to industrial loan and investment companies; to provide for violations; to provide penalties; to change the penalties for certain violations; to declare that those amendments shall apply to existing installment loans made prior to the effective date of this act; to provide a severability clause; to repeal the original section; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 32:

Bahensky	Erlewine	Klaver	Reeves
Bowen	Fleming	Kremer	Ruhnke
Brandt	Forrester	Lysinger	Russillo
Bridenbaugh	Gerdes	Mahoney	Skarda
Burbach	Gerhart	Marvel	Stalder
Carpenter	Gottschalk	Moulton	Stryker
Craft	Hasebroock	Payne	Thompson
Damrow	Kjar	Rasmussen, R.	Wylie

Voting in the negative, 11:

Adamson	Foster	Orme	Syas
Claussen	McGinley	Rasmussen, E.	Warner
Danner	Nelson	Stromer	

Not voting, 0.

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 17. With emergency.

A BILL FOR AN ACT to amend sections 45-138, 45-154, and 45-155, Reissue Revised Statutes of Nebraska, 1943, and section 45-137, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963, relating to installment loans; to change the pen-

alties and remedies relating to installment loans; to declare that these amendments shall apply retroactively to existing installment loans made prior to the effective date of this act; to provide a severability clause; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 31:

Bahensky	Fleming	Kremer	Ruhnke
Bowen	Forrester	Lysinger	Russillo
Brandt	Gerdes	Mahoney	Skarda
Bridenbaugh	Gerhart	Marvel	Stalder
Burbach	Gottschalk	Moulton	Stryker
Craft	Hasebroock	Payne	Thompson
Damrow	Kjar	Rasmussen, R.	Wylie
Erlewine	Klaver	Reeves	

Voting in the negative, 12:

Adamson	Danner	Nelson	Stromer
Carpenter	Foster	Orme	Syas
Claussen	McGinley	Rasmussen, E.	Warner

Not voting, 0.

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

Member Excused

Mr. Lysinger asked to be excused for the remainder of the day.

Visitors

Mr. Thompson introduced Mrs. Margaret Knapp, teacher, and 13 students of the Government Class from Indianola, Nebraska.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 15. Correctly enrolled.

LEGISLATIVE BILL 1. Correctly enrolled.

LEGISLATIVE BILL 16. Correctly enrolled.

LEGISLATIVE BILL 18. Correctly enrolled.

LEGISLATIVE BILL 17. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 15 LB 1 LB 16 LB 18
LB 17 LR 2

RESOLUTIONS

LEGISLATIVE RESOLUTION 3.

LR 3 was adopted with 34 ayes, 0 nays and 9 not voting.

LEGISLATIVE RESOLUTION 4.

Mr. Fleming asked unanimous consent to have his name withdrawn from LR 4.

No objections. So ordered.

LR 4 was not adopted with 10 ayes, 23 nays and 10 not voting.

Visitors

Mr. Payne introduced 6th grade students from Plattsmouth, 4 teachers and Principal, David H. Miller.

Members Excused

Messrs. Brandt and Klaver asked to be excused for the remainder of the day. Mr. Gerdes asked to be excused for the remainder of the day and Tuesday, November 19, 1963.

UNANIMOUS CONSENT—Bills on Final Reading

Mr. Gerdes asked unanimous consent to hold the bills scheduled for Final Reading on November 19 until Wednesday, November 20, 1963.

No objections. So ordered.

Member Excused

Mr. Danner asked to be excused Tuesday, November 19, 1963.

UNANIMOUS CONSENT—Return LB 24 to Select File

Mr. Russillo asked unanimous consent to return LB 24 to Select File for a specific amendment.

No objections. So ordered.

SELECT FILE**LEGISLATIVE BILL 24.**

Mr. Russillo offered the following specific amendments to LB 24:

1. Add a new Section 2 to provide as follows:

Section 2. That Section 1 of Legislative Bill 815 enacted by the 73rd Session of the Nebraska State Legislature, 1963 be amended to read as follows:

“Section 1. No action shall be brought to recover any payments made under any invalid sales agreement unless such action is commenced within one year from the effective date of this act or within one year from the date of the last payment made under such invalid contract, whichever is later except where the basis for such action for invalidity is that the written contract was entered into pursuant to, in compliance with or reliance on a statute of the State of Nebraska later held to be unconstitutional by the Supreme Court of Nebraska as provided for in Section 25-205, Reissue Revised Statutes, as amended by Legislative Bill 24 enacted by the 74th (Extraordinary) Session of the Nebraska Legislature.

2. Renumber original Section 2 as Section 3, to renumber original Section 3 as Section 4, to renumber original Section 4 as Section 5.

3. Repeal original Section 1 of LB 815.

4. Amend the title to conform.

The Russillo amendment was adopted with 27 ayes, 2 nays and 14 not voting.

Advanced to E and R for re-engrossment.

Member Excused

Mr. Bridenbaugh asked to be excused for the remainder of the day.

Presented to the Governor

Presented to the Governor for approval on November 15, 1963 at 10:05 a.m.: LB 1, LB 15, LB 16, LB 18 and LB 17.

(Signed) Duane Hubbard, Assistant Clerk

MOTION—Return LB 11 to General File

Mr. Payne renewed his motion, found on page 173 of the Legislative Journal for the Eighteenth Day, to return LB 11 to General File for a specific amendment.

Mr. Thompson Presiding

The Payne motion lost with 3 ayes, 26 nays and 15 not voting.

Members Excused

Mr. Adamson asked to be excused until Wednesday morning, November 20, 1963.

Mr. Carpenter asked to be excused Tuesday and Wednesday, November 19 and 20, 1963.

Ease

The Legislature was at ease from 11:12 a.m. until 11:38 a.m.

Member Excused

Mr. Danner asked to be excused for the remainder of the day.

MOTION—Return LB 9 to Select File

Mr. Bowen moved to return LB 9 to Select File for the following specific amendment:

1. Amend section 1 of the bill by striking Standing Committee Amendments, General File Amendment, adopted November 8, 1963, and Enrollment And Review Amendments, by striking lines 30 to 32 and line 49 strike the period and insert the following:

“; Provided, that notwithstanding any other provisions of this Constitution, the Legislature shall have authority to separately define and classify loans and installment sales, to establish various reasonable rates and charges within any classifications of loans or installment sales it is deemed necessary to establish, and to fix maximum rates, charges and regulations with respect thereto.”

2. Amend section 2 of the bill by striking lines 6 to 10 and inserting the following:

"Constitutional amendment authorizing the Legislature to separately define and classify loans and installment sales, establish various reasonable rates and charges on loans and installment sales, and fix maximum rates, charges and regulations with respect thereto."

3. Amend the title to conform.

The motion prevailed with 26 ayes, 1 nay and 16 not voting.

SELECT FILE

LEGISLATIVE BILL 9.

The pending Bowen amendment found in today's Journal were adopted with 23 ayes, 5 nays and 15 not voting.

Mr. Ruhnke moved to amend the Bowen amendment as follows:

1. Amend line 13 by striking ", and charges".

Laid over until Tuesday, November 19 at the request of Mr. Ruhnke.

Members Excused

Messrs. Syas and Foster asked to be excused for Tuesday, November 19.

Mr. Fleming asked to be excused for Tuesday, November 19 and Wednesday, November 20.

MOTION—Indefinitely Postpone LB 9

Mr. Carpenter moved to indefinitely postpone LB 9.

Motion pending.

Adjournment

At 12:24 p.m., on a motion by Mr. Stryker, the Legislature adjourned until 10:00 a.m., Tuesday, November 19.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

TWENTIETH DAY

Legislative Chamber, Lincoln, Nebraska
Tuesday, November 19, 1963

Pursuant to adjournment, the Legislature met at 10:00 a.m., President Burney presiding.

Prayer was offered by Mr. Ruhnke.

The roll was called and all members were present except Messrs. Adamson, Danner, Fleming, Mahoney, R. Rasmussen, Syas and Wylie who were excused.

Correction for the Journal

Page 181, after line 18, insert "Mr. Danner asked to be excused for the remainder of the day."

The Journal for the Nineteenth Day was approved as corrected.

Visitors

Mr. Thompson introduced the 1964 Honor Farm Family from Holdrege. They are Mr. and Mrs. Dempsey McNiel, daughter and son-in-law, Sharon and Bill Johnson, daughter, Mrs. Janet Owen, and sons, George, Douglas and Ronald McNiel.

Mr. Nelson introduced Larry Tomlinson from O'Neill who is a Senior at the University of Nebraska.

Mr. Srb introduced Mr. James Walz, Supt., Mr. Leroy Bruce, Principal, Mrs. Reinold Rhode, teacher, Mrs. Ernest Dvorak, Mr. Ed Bures, Mr. Bohumil Sindelar, Mr. Aldred Kroenke, and Mrs. Robert Nielson, sponsors, and 25 pupils, grades 3, 4, 7 and 8, from the Dodge Public School.

Announcement

Mr. Burney announced that 100 years ago today the Lincoln Gettysburg Address was given. He instructed the Assistant Clerk, Duane Hubbard, to read the Address, after which the members stood a few moments to pay silent tribute to this occasion.

Communication

Note from Mrs. Florence Schroeder thanking the Legislature for the flowers sent to her husband, Rev. Martin Schroeder.

Message from the Governor

November 15, 1963

The President, the Speaker
and Members of the Legislature:

This is to inform your honorable body that I have on this day approved LB 4, LB 1, LB 15, LB 16, LB 17, and LB 18.

Respectfully,

(Signed) Frank B. Morrison
Governor

Announcement

Mr. Srb announced that due to darkness the picture which was taken of the Legislature last week would have to be taken over again this Friday.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 23. Replaced on Select File as amended.

E and R amendments to LB 23:

1. Strike Enrollment and Review Amendment 3, and insert the following:

"3. For correlation purposes, strike line 3, Section 1, and insert "Bill 8, Seventy-fourth (Extraordinary) Session, Nebraska State Legisla-", and section 1, line 146, strike "(7) and" and insert "(4), (7) or", and line 147, insert ", on the effective date of this act" after "1954".

2. Amend the Stromer Unanimous Consent Amendment to the Burbach General File Amendment, adopted November 12, 1963, line 3, by underscoring the word "dispensing", and line 6 of the Burbach General File Amendment to section 3, by striking the period after "week".

3. Strike the Stromer Unanimous Consent Amendment, adopted November 12, 1963, adding two new sections and the Carpenter Specific Amendment, adopted November 12, 1963, and insert the following:

"1. Add two new sections to the bill immediately after section 4 of the bill to be known as sections 5 and 6 and to read as follows:

"Sec. 5. *The provisions of this act shall become operative on December 29, 1963.*

Sec. 6. *If any section of this act or any part of any section shall be declared invalid or unconstitutional, such declaration of invalidity shall not affect the validity of the remaining portions thereof.*"

4. Renumber sections 5 and 6 as sections 7 and 8, respectively.

5. Amend renumbered section 7 by striking lines 4 and 5 and inserting "Legislature, 1963, section 53-124, Revised Statutes Supplement, 1961, as amended by section 7,"; line 7 by striking "and"; and line 8 by inserting "and section 53-103, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 8, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963," after "1963,".

6. Amend the title of the bill, line 14 by inserting after the first semicolon the following:

"to provide an operative date; to provide a savings clause," by striking lines 5 to 7 and inserting "State Legislature, 1963, section 53-124, Revised Statutes Supplement, 1961, as amended by section 7, Legislative Bill 21, Seventy-third", line 8 by striking "and", and line 10 by inserting "and section 53-103, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 8, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963," after "1963,".

(Signed) Eugene T. Mahoney, Chairman

SELECT FILE

LEGISLATIVE BILL 23.

Mr. Stromer asked unanimous consent to adopt E and R amendments to LB 23, found in today's Legislative Journal. No objections. So ordered.

Advanced to E and R for re-engrossment.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 11. Placed on Select File as amended.

E and R amendments to LB 11:

1. Amend Albert A. Kjar Amendment 1, adopted November 8, 1963, line 2 by inserting "first" before "comma", and by showing "each period" as new matter.

2. Amend the Adamson Amendment 1, adopted November 8, 1963, by striking lines 2 and 3 and inserting the following: "is from agriculture, stock raising, or school teaching, the payment schedule may reduce or omit installment payments, if at least one half of the credit is to be repaid within the first half of the applicable maximum maturity and if the other payments are increased in such manner *irregular, then, in order to facilitate payment in accordance with the borrower's source of income, the payment schedule may reduce or omit installment payments over any period or periods, each period totaling not more than six months, if the other payments are increased in such a manner*".

3. Amend Carpenter Amendment 1, to Standing Committee Amendment 3, adopted November 8, 1963, line 3 by striking "7 years" and inserting "*eighty-four months*".

4. Amend Craft Amendment to Standing Committee Amendment 5, adopted November 8, 1963, by striking "eighty-four" and inserting "*eighty-four*".

5. Amend Ross Rasmussen Amendment 1, adopted November 8, 1963, by showing lines 3 to 6 as new matter.

6. Amend renumbered section 3 of the bill for correlation purposes by striking lines 2 and 3 and inserting "Supplement, 1961, as amended by Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legisla-", and line 24 by inserting after the period the following:

"the limitation on the rate of interest herein fixed shall apply to any agreement defined in section 2 of this act in the event the same is judicially determined to constitute, in whole or in part, a loan with interest."

7. Amend renumbered section 4 of the bill for correlation purposes by striking lines 2 and 3 and inserting "plement, 1961, as amended by section 5, Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature," and line 24 by inserting after the period the following:

"The limitation on the rate of interest herein fixed shall not apply to any agreement defined in section 2 of this act in the event the same is judicially determined to constitute, in whole or in part, a loan with interest."

8. Amend Standing Committee Amendment 5, section 6, for correlation purposes, line 2 by inserting ", as amended by section

6, Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963" after "1943" and line 26 by inserting after "also." the following:

"In the event any agreement defined in section 2 of this act is judicially determined to constitute, in whole or in part, a loan with interest and such interest is also determined to exceed the limit on interest fixed in section 45-101, the sole remedy or defense, including the amount of recovery, available to such buyer by reason thereof shall be that prescribed in this section."

9. Amend renumbered section 9 for correlation purposes, by striking lines 2 and 3 and inserting "utes of Nebraska, 1943, as amended by section 1, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legisla-", and by striking lines 196 to 198 and inserting "tract of loan *shall be void*. shall not on that account be void, but the *The* licensee shall *also* have no right to collect or receive any *principal*, interest, or other charges whatsoever. If such interest or other charges have been collected, the licensee shall forfeit and refund to the borrower all interest and other charges collected on the loan involved."

10. Amend renumbered section 10 for correlation purposes, line 2 by inserting ", as amended by section 2, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963" after "1943", and by striking lines 67 to 69 and inserting "of due care to prevent the same, *shall be void* shall not on that account be void, *and* but the licensee shall have no right to collect or receive any *principal*, interest, or charges on such loan. If any interest or other charges have been collected, the licensee shall forfeit and refund to the borrower all interest and other charges collected on the loan involved."

11. Amend the bill by adding three new sections for correlation purposes immediately after renumbered section 10 to be known as sections 11 to 13 and to read as follows:

"Sec. 11. That section 45-145, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963, be amended to read as follows:

45-145. Every person, firm, partnership, corporation or association, licensed as provided in sections 45-114 to 45-155 shall, at the time any loan is made, give to the borrower or, if there are two or more borrowers, to one of them, a statement in the English language disclosing in clear and distinct terms (a) the amount and date of the loan, (b) a clear description of the payments required, (c) the type of the security, if any, for the loan, (d) the names

and addresses of the licensee and all persons obligated on the note, and (e) the agreed charges or rate of charge; *Provided*, that when the loan is made pursuant to the provisions of subsection (2) of section 45-137 the statement shall also contain a notice that default and deferment charges may be made and that a rebate of unearned charges may be made if the loan is prepaid in full prior to maturity. The licensee shall give to the borrower a receipt for all cash payments made on account of such loan, *specifying the amount applied to principal and the unpaid principal balance, if any, of such loan.*

Sec. 12. That section 45-154, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, be amended to read as follows:

45-154 Any contract of loan, in the making or collection of which any act is done which constitutes a misdemeanor under section 45-153, *shall be void shall not on that account be void, and but* the lender shall have no right to collect or receive any *principal*, interest or charges whatsoever. If any interest or other charges have been collected, the lender shall forfeit and refund to the borrower all interest and other charges collected on the loan involved.

Sec. 13. That section 45-155, Reissue Revised Statutes of Nebraska, 1943, as amended by section 4, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, be amended to read as follows:

45-155. Violation of sections 45-114 to 45-155 in connection with any indebtedness, however acquired, shall not render such indebtedness void and uncollectible. If however, any interest or other charges have been collected on such indebtedness, all interest and other charges shall be forfeited and refunded."

12. Amend the bill by renumbering the renumbered sections 11, new section 12 and renumbered sections 13 and 14 as sections 14 to 17 respectively.

13. Amend the bill by striking renumbered section 13, and all amendments thereto and inserting the following:

"Sec. 17. That original sections 21-1714 and 45-117, Reissue Revised Statutes of Nebraska, 1943, section 45-114, Revised Statutes Supplement, 1961, section 45-145, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963, section 45-105, Reissue Revised Statutes of Nebraska, 1943, as amended by Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, sections 45-137, 45-138, 45-154, and 45-155, Reissue

Revised Statutes of Nebraska, 1943, as amended by sections 1, 2, 3, and 4, respectively, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, and sections 45-101 and 45-102, Revised Statutes Supplement, 1961, as amended by sections 4 and 5, respectively, Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, and also sections 8-418 to 8-431, and 8-801 to 8-814, Reissue Revised Statutes of Nebraska, 1943, Chapter 45, articles 2 and 3, Reissue Revised Statutes of Nebraska, 1943, sections 1 to 20, Legislative Bill 811, Seventy-third Session, Nebraska State Legislature, 1963, and section 8-432, Reissue Revised Statutes of Nebraska, 1943, as amended by section 1, Legislative Bill 18, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, are repealed.”

14. Amend the title of the bill by striking lines 2 to 25 and inserting the following:

“FOR AN ACT to amend sections 21-1714 and 45-117, Reissue Revised Statutes of Nebraska, 1943, section 45-114, Revised Statutes Supplement, 1961, section 45-145, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 513, Seventy-third Session, Nebraska, State Legislature, 1963, section 45-105, Reissue Revised Statutes of Nebraska, 1943, as amended by Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, sections 45-137, 45-138, 45-154, and 45-155, Reissue Revised Statutes of Nebraska, 1943, as amended by sections 1, 2, 3, and 4, respectively, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, and sections 45-101 and 45-102, Revised Statutes Supplement, 1961, as amended by sections 4 and 5, respectively, Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, relating to interest; to change penalties as prescribed; to provide for class of loans that on which a different rate of interest may be charged, as prescribed; to provide conditions for certain licensees as prescribed which may apply for license under terms and conditions of sections 45-114 to 45-155, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto; to reduce the amount that may be loaned as an installment loan; to change provisions of prepayment, charges and statements required in installment loans; to provide for reasonable variances from statement of basic rate because of methods of computation; to eliminate provisions of revolving charge agreements and charges thereon; to eliminate the provisions for installment sales agreements and charges thereon; to eliminate provisions for installment loans by any industrial loan and investment company; to provide a validity clause; to repeal the original sections, and also sections 8-418 to 8-431, and 8-801 to 8-814, Reissue Revised Statutes of Nebraska, 1943, Chapter 45, articles 2 and 3, Reissue Revised Statutes of Nebraska, 1943, sections 1 to 20,

Legislative Bill 811, Seventy-third Session, Nebraska State Legislature, 1963, and section 8-432, Reissue Revised Statutes of Nebraska, 1943, as amended by section 1, Legislative Bill 18, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963; and to declare an emergency.”.

15. In Standing Committee Amendment 4, line 5, strike the first period.

(Signed) Eugene T. Mahoney, Chairman

SELECT FILE

LEGISLATIVE BILL 9.

Mr. Bowen moved to reconsider action on the Bowen amendment, found in the Legislative Journal for the Nineteenth Day. The motion prevailed with 31 ayes, 0 nays and 12 not voting.

Mr. Bowen moved to accept the Bowen amendment which was adopted November 15. The Bowen amendment was rejected with 2 ayes, 29 nays and 12 not voting.

Mr. Bowen asked unanimous consent to substitute the following amendment for the Bowen amendment found in the Legislative Journal for the Nineteenth Day. No objections. So ordered.

1. Strike all of line 30, including new matter, and strike new matter in lines 31 and 32.

2. Sec. 1, page 3, line 49, substitute a semicolon for the period after the word “whatever”, and then add the following:

“Provided, that notwithstanding any other provisions of this constitution, the Legislature shall have authority to separately define and classify loans and installment sales, to establish maximum rates within any classifications of loans or installment sales which it establishes, and to regulate with respect thereto.”

3. Strike lines 6 through 9 in Section 2 on page 3 and insert the following:

“Constitutional amendment authorizing the legislature to separately define, classify and regulate loans and installment sales and to establish maximum rates therefore.”

Mr. Carpenter withdrew his pending motion, found in the Legislative Journal for the Nineteenth Day, to indefinitely postpone LB 9.

Mr. Ruhnke withdrew his pending amendment, found in the Legislative Journal for the Nineteenth Day, to amend line 13.

Mr. Ruhnke asked unanimous consent to adopt the following amendment to the Bowen amendment:

1. Amend line 8 by striking "any".

No objections. So ordered.

The Bowen amendment, as amended, was adopted by unanimous consent.

Mr. Klaver moved to indefinitely postpone LB 9.

Speaker Moulton Presiding

Mr. Klaver requested a record vote.

Voting in the affirmative, 8:

Bridenbaugh	Forrester	Klaver	Ruhnke
Damrow	Gerhart	Reeves	Skarda

Voting in the negative, 25:

Bahensky	Gerdes	Marvel	Russillo
Bowen	Gottschalk	McGinley	Stalder
Brandt	Hasebroock	Moulton	Stromer
Burbach	Kjar	Nelson	Stryker
Carpenter	Kremer	Orme	Thompson
Craft	Lysinger	Rasmussen, E.	Warner
Foster			

Not voting, 10:

Adamson	Erlewine	Payne	Syas
Claussen	Fleming	Rasmussen, R.	Wylie
Danner	Mahoney		

The Klaver motion to indefinitely postpone lost.

Visitors

Mr. Stromer introduced Mrs. Adahbelle Griffis, teacher, and 12 students from Everett Junior High School in Lincoln.

Mr. Moulton introduced Representative William J. O'Brien of the 45th District, St. Paul, Minnesota.

LEGISLATIVE BILL 9.

Mr. Bowen offered the following amendment to the Bowen amendment which was adopted by unanimous consent:

1. Amend line 10 by striking "2" and inserting "3".

UNANIMOUS CONSENT—Print in Journal

Mr. Kjar requested unanimous consent to insert a brief statement in the Legislative Journal.

No objections. So ordered.

MR. SPEAKER:

I should like to ask unanimous consent to insert in the record a brief statement showing the tremendous amounts of money involved in this legislation. I have examined the record of the proceedings to date and I find that nowhere other than in unreported debates on the floor is there any reference to the amount of time sale contracts which exist in the state, and I feel that in fairness to the public and to this legislature a statement of those amounts should be in the record. I should, therefore, like to submit for the record the following statement:

STATEMENT

For the benefit of the legislature and of the large number of people interested in the action of the legislature with reference to time sales legislation, I herewith submit a statement of the amounts that are involved.

Before the Committee the Nebraska Bankers Association stated that so far as they can ascertain there is approximately \$62,000,000 of this paper in the hands of Nebraska banks, state and national. Two of the large farm machinery dealers combined hold an estimated amount of \$16,000,000. The dealers in heavy road machinery and other large equipment, it is estimated, hold a minimum of \$50,000,000. The various finance companies who purchase installment sales paper from dealers hold an estimated amount of \$150,000,000.

The Omaha Retail Merchants Association has given an estimate of something over one billion dollars of sales in 1961 of which a substantial amount, exact amount unknown, is represented by time sales contracts.

From the foregoing it seems a conservative estimate that a minimum of \$300,000,000 to \$500,000,000 a year of this paper is held by various merchants, banks and finance institutions. When it is considered that under the decisions of the Nebraska Supreme Court the buyer is entitled to recover amounts previously paid within the period of the statute of limitations, the amounts which potentially are involved in this situation could amount to more than one billion dollars.

These figures are submitted for the record in order that the public may understand the vast extent of the problem with which the legislature has been confronted.

Advanced to E and R for engrossment.

Visitor—Address Legislature

Mr. Thompson escorted Representative William J. O'Brien of Minnesota to the rostrum where he addressed the Legislature briefly.

SELECT FILE

LEGISLATIVE BILL 11. E and R amendments found in today's Journal were adopted.

Mr. Russillo requested unanimous consent to withdraw his amendment to renumbered section 12 found in the Legislative Journal for the Fifteenth Day.

No objections. So ordered.

Mr. Ruhnke offered the following amendment which was adopted by unanimous consent:

1. Amend renumbered section 7, line 14 by inserting "*not made by a licensee nor any loan*" after "loan", and line 17 by inserting "*loan made by one who is not a licensee nor to any*" after "any".

Mr. Russillo offered the following amendment which was adopted by unanimous consent:

1. Add the following new language to Committee Amendment Section No. 11:

"Where more than one rate is used such as provided for by Section 45-137, the requirements of this will be complied with if each rate and the amount of principal it applies to is shown."

Mr. Foster requested unanimous consent for the following amendment:

1. Amend renumbered section 9, line 8 by striking "thirty" and inserting "*thirty twenty-four*", and line 11 by striking "twenty-four" and inserting "*twenty-four eighteen*".

Mr. Carpenter objected.

Mr. Carpenter offered the following amendment which was adopted by unanimous consent:

1. Amend original section 5, line 8 by inserting “; *Provided, that nothing contained in this act shall be construed to prohibit a licensee from making any loan permitted by section 45-101*”, after “dollars”; and lines 37 to 49 by striking the sentence and showing same as stricken matter.

Mr. Carpenter offered the following amendment which was adopted by unanimous consent:

1. Amend Standing Committee Amendment 1, section 2, line 9 by striking the period and inserting:

“and the court shall allow an attorney fee in favor of the borrower to be taxed as part of the costs. Any person, firm, partnership, corporation or association, or officer or employee thereof who shall participate in any such violation of the provisions of sections 21-1714, 45-101 or 45-102 shall be guilty of a misdemeanor and shall, upon conviction thereof, be punishable by a fine of not more than one thousand dollars and not less than one hundred dollars, by imprisonment for not more than six months, or by both such fine and imprisonment, in the discretion of the court.”

Mr. Ruhnke offered the following amendment:

1. Amend the bill by adding a new section immediately after original section 6 of the bill, renumbered section 11 to be known as section 12 and to read as follows:

“Sec. 12. The provisions of this act shall become operative on January 1, 1964.”

2. Amend the bill by renumbering new section 12 and original sections 7 and 8 as sections 13 to 15 respectively.

Mr. Carpenter requested unanimous consent to amend the Ruhnke amendment as follows:

1. Amend line 6, striking “January 1, 1964” and insert “December 16, 1963”.

No objections. So ordered.

The Ruhnke amendment as amended was adopted by unanimous consent.

Advanced to E and R for engrossment.

Announcement

Mr. Stromer announced that the Legislative Council Study Committee on Higher Education will not meet this afternoon. The Committee will meet Wednesday morning.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 7. Replaced on Select File as amended.

1. Amend section 1 of the bill, section 18, by inserting "*Department of*" before "*Agriculture*".

2. Marvel Amendment 3 to section 2, adopted November 13, 1963, line 1, strike "109" and insert "108".

3. Amend section 3 of the bill, line 228, by striking "or" and inserting "*as*".

4. Marvel Amendment to section 7, adopted November 13, 1963, line 25, show "*Medical Assistance for the Aged,*" as new matter.

5. Amend section 11, line 1 by striking "19,".

6. Amend the title, line 2 by striking "19,".

LEGISLATIVE BILL 24. Replaced on Select File as amended.

1. Amend Russillo Amendment 1, by striking lines 2 to 4 and inserting:

"Sec. 2. That section 1, Legislative Bill 815, Seventy-third Session, Nebraska State Legislature, 1963, be amended to read as follows:", line 9 by inserting "*date*" after "*whichever*" as in statutes, and by striking lines 14 to 16 and inserting "*as provided for in section 1 of this act.*".

2. Amend renumbered section 4, line 2 by striking "*is*" and inserting "*and section 1, Legislative Bill 815, Seventy-third Session, Nebraska State Legislature, 1963, are*".

3. Strike the Russillo Amendment 1, adopted November 14, 1963.

4. Amend section 1 of the bill, lines 13 and 14 by striking "*six months*" and inserting "*one year*".

5. Amend the title of the bill, line 3 by inserting "*,*" and section 1, Legislative Bill 815, Seventy-third Session, Nebraska State Legislature, 1963" after "1943", lines 11 and 13 by striking "*six months*" and inserting "*one year*", and line 18 by striking "*section*" and inserting "*sections*".

6. Amend section 1 of the bill, line 5 by showing the semicolon as new matter.

7. Amend renumbered section 5 of the bill, line 2 by inserting a comma after "*effect*".

(Signed) Eugene T. Mahoney, Chairman

Recess

At 12:01 p.m., on a motion by Mr. Stryker, the Legislature recessed until 2:00 p.m.

After Recess

The Legislature reconvened at 2:00 p.m., Speaker Moulton presiding.

The roll was called and all members were present except Messrs. Adamson, Danner, Fleming, Mahoney, McGinley, R. Rasmussen and Syas who were excused.

MOTION—Return LB 11 to Select File

Mr. Foster moved to return LB 11 to Select File for a specific amendment.

Mr. Foster asked for a record vote.

Voting in the affirmative, 12:

Damrow	Gerdes	Orme	Reeves
Forrester	Klaver	Payne	Stromer
Foster	Kremer	Rasmussen, E.	Warner

Voting in the negative, 20:

Bowen	Claussen	Hasebroock	Ruhnke
Brandt	Craft	Kjar	Russillo
Bridenbaugh	Erlewine	Marvel	Skarda
Burbach	Gerhart	Moulton	Thompson
Carpenter	Gottschalk	Nelson	Wylie

Not voting, 11:

Adamson	Fleming	McGinley	Stryker
Bahensky	Lysinger	Rasmussen, R.	Syas
Danner	Mahoney	Stalder	

The motion lost.

Member Excused

Mr. Kremer asked to be excused for the remainder of the day.

Announcement

Mr. Carpenter announced that a copy of Mr. Stromer's Master's Thesis entitled "Congressional Redistricting in Nebraska, 1961" could be obtained in the Clerk's office if desired by members.

President Burney Presiding

Announcement

Mrs. Orme announced that the Committee on Intergovernmental Cooperation would meet immediately after recess in the West Senate Lounge, instead of after adjournment.

Ease

The Legislature was at ease from 2:41 p.m. to 3:15 p.m. to allow mimeographed copies of Section 11, LB 11, to be placed on the members' desks.

MOTION—Return LB 11 to Select File

Mr. Stryker moved to return LB 11 to Select File for a specific amendment.

Mr. Stryker requested a Call of the House.

A Call of the House was ordered and showed 35 members present.

Mr. Erlewine moved that the Call be raised. The motion prevailed with 33 ayes, 0 nays and 10 not voting.

The Stryker motion lost with 18 ayes, 15 nays, and 13 not voting.

MOTION—Return LB 11 to Select File

Mr. Ruhnke moved to return LB 11 to Select File for a specific amendment.

Mr. Russillo questioned the Chair's ruling to have 22 votes to change the position of a bill on the board.

The Chair was upheld in its decision by a vote of 19 ayes, 11 nays, 13 not voting.

Mr. Ruhnke renewed his motion to return LB 11 to Select File for the following specific amendment:

1. Amend Section 11, line 1, by striking "and all advertising".

The motion prevailed with 26 ayes, 0 nays and 17 not voting.

SELECT FILE

LEGISLATIVE BILL 11.

The Ruhnke pending amendment found in today's Journal was adopted by unanimous consent.

Advanced to E and R for engrossment.

Visitors

Mr. Hasebroock introduced Orville H. Zabel, Prof. of History, and the Historography Class from Midland College.

Mr. Erlewine introduced Mr. Herman Hansmeier from Ogallala, Nebraska.

SELECT FILE

LEGISLATIVE BILL 7. E and R amendments found in today's Legislative Journal were adopted.

Advanced to E and R for engrossment.

LEGISLATIVE BILL 24. E and R amendments found in today's Legislative Journal were adopted.

Advanced to E and R for re-engrossment.

Member Excused

Mr. Thompson asked to be excused for the remainder of the week.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 24. Correctly re-engrossed.

LEGISLATIVE BILL 7. Correctly engrossed.

LEGISLATIVE BILL 23. Correctly engrossed.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LR 3.

Adjournment

At 4:17 p.m., on a motion by Mr. Stryker, the Legislature adjourned until 10:00 a.m., November 20, 1963.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

TWENTY-FIRST DAY

Legislative Chamber, Lincoln, Nebraska

Wednesday, November 20, 1963

Pursuant to adjournment, the Legislature met at 10:00 a.m., President Burney presiding.

Prayer was offered by Dr. Vernon Strempeke, Central Lutheran Theological Seminary, Fremont.

The roll was called and all members were present except Messrs. Danner, Fleming and Thompson who were excused.

Corrections for the Journal

Page 186, line 6, "is" is not stricken.

Page 188, line 22, correct the spelling of "other".

Page 188, line 28, show "not" as stricken.

Page 194, line 38, change "Wednesday" to "Thursday".

Page 195, line 8, delete the "and".

Page 195, line 34, correct the spelling of "section".

Page 196, after line 29, insert "Mr. Kremer asked to be excused for the remainder of the day."

Page 197, after line 27, insert "The motion prevailed with 26 ayes, 0 nays and 17 not voting."

The Journal for the Twentieth Day was approved as corrected.

Visitors

President Burney introduced a group of students from a Christian Social ethics class at Central Lutheran Theological Seminary, Fremont, and their Professor, Dr. Vernon Strempeke.

Mr. Adamson introduced Mrs. Melvin Fink, Mrs. Don Chasten, Barbara Fink and Sharon Fink from Elsmere.

Mr. R. Rasmussen introduced Mrs. Ruth Blanchard, teacher, and 5 students from Long Creek School, District 8, Fort Calhoun.

UNANIMOUS CONSENT—Take up LB 9 and LB 11

Mr. Stryker requested unanimous consent to take up the amendments to LB 9 and LB 11.

No objections. So ordered.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 9. Replaced on Select File as amended.

E and R amendments to LB 9:

1. Section 1, line 30, show "Regulating the interest on money." as stricken matter.

2. Amend Bowen Amendment to section 1, line 4 by capitalizing the word "constitution", and line 7 by striking the period at end of the line.

3. Amend Bowen Amendment to section 2, line 1 by striking "9" and inserting "10", line 3 of amendment by inserting quotation marks before "Constitutional", by capitalizing the word "legislature", line 5 by striking "therefore." and inserting "therefor." and remove the underscoring from lines 3 to 5.

4. Amend the title of the bill by striking lines 5 to 8 and all amendments thereto and inserting:

"thorize the Legislature to separately define and classify loans and installment sales, establish maximum rates within classifications of loans or installment sales which it establishes, and regulate with respect thereto; to pro-".

(Signed) Eugene T. Mahoney, Chairman

MOTION—Return LB 11 to Select File

Mr. Carpenter moved to return LB 11 to Select File for the following specific amendment:

1. Strike original section six and all amendments thereto and renumber sections accordingly".

Mr. Russillo moved the previous question. The motion lost with 16 ayes, 20 nays and 7 not voting.

Visitors

Mr. Warner introduced the Senior Class of Hickman High School.

Mr. Ruhnke asked for a record vote.

Voting in the affirmative, 26:

Adamson	Gerdes	Marvel	Russillo
Bahensky	Gottschalk	McGinley	Skarda
Bowen	Kjar	Moulton	Stalder
Brandt	Klaver	Orme	Stromer
Burbach	Kremer	Payne	Stryker
Carpenter	Lysinger	Rasmussen, R.	Warner
Craft	Mahoney		

Voting in the negative, 13:

Bridenbaugh	Foster	Nelson	Ruhnke
Claussen	Gerhart	Rasmussen, E.	Syas
Damrow	Hasebroock	Reeves	Wylie
Forrester			

Not voting, 4:

Danner	Erlewine	Fleming	Thompson
--------	----------	---------	----------

The motion prevailed and LB 11 was returned to Select File.

UNANIMOUS CONSENT—Take up LB 9

Mr. Bowen asked unanimous consent to take up LB 9 on Select File.

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 9. E and R amendments found in today's Journal were adopted.

Advanced to E and R for engrossment.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 9. Correctly re-engrossed.

(Signed) Eugene T. Mahoney, Chairman

SELECT FILE

LEGISLATIVE BILL 11. Mr. Carpenter's specific amendment found in today's Legislative Journal was adopted with 24 ayes, 13 nays and 6 not voting.

Mr. Ruhnke asked unanimous consent to adopt the following amendment. No objections. So ordered.

1. Amend Standing Committee Amendment 1, section 2, lines 1 and 3 by inserting the following after the word "made":
"after the operative date of this act,".

Mr. Ruhnke moved to advance LB 11 to E and R for engrossment.

The Ruhnke motion was held in abeyance until after Final Reading.

BILLS ON FINAL READING

The following bills were read and put upon final passage:
LEGISLATIVE BILL 19. With emergency.

A BILL FOR AN ACT relating to contracts; to declare public policy; to provide for the protection of those people who have in good faith entered into contracts and agreements in compliance with statutes containing mandatory provisions requiring compliance therewith and imposing criminal or civil sanctions, penalties, or forfeitures for failure to do so, which statutes are later held to be unconstitutional; to provide that such persons shall not be penalized by reason of compliance with any such unconstitutional statute, and that such agreements entered into prior to the declaration of unconstitutionality shall be valid and enforceable according to their terms, subject to common law defenses; to provide that such judicial decisions shall be given prospective effect only; to provide that the provisions of this act shall apply to statutes and agreements entered into in accordance therewith enacted and entered into prior to the effective date of this act; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 33:

Adamson	Forrester	Kremer	Rasmussen, R.
Bahensky	Foster	Lysinger	Ruhnke
Bowen	Gerdes	Mahoney	Russillo
Brandt	Gerhart	Marvel	Skarda
Bridenbaugh	Gottschalk	Moulton	Stalder
Burbach	Hasebroock	Nelson	Stryker
Craft	Kjar	Payne	Warner
Damrow	Klaver	Rasmussen, E.	Wylie
Erlewine			

Voting in the negative, 6:

Carpenter	McGinley	Stromer	Syas
Claussen	Orme		

Not voting, 4:

Danner	Fleming	Reeves	Thompson
--------	---------	--------	----------

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 20. With emergency.

A BILL FOR AN ACT to amend sections 5 and 11, Legislative Bill 100, Seventy-third Session, Nebraska State Legislature, 1963, relating to public health and welfare; to establish a separate fund for the tax as prescribed; to provide for allocation of funds to counties as prescribed; to provide the use of such fund; to provide for reimbursement to the General Fund as prescribed; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 40:

Adamson	Erlewine	Lysinger	Reeves
Bahensky	Forrester	Mahoney	Ruhnke
Bowen	Foster	Marvel	Russillo
Brandt	Gerdes	McGinley	Skarda
Bridenbaugh	Gerhart	Moulton	Stalder
Burbach	Gottschalk	Nelson	Stromer
Carpenter	Hasebroock	Orme	Stryker
Claussen	Kjar	Payne	Syas
Craft	Klaver	Rasmussen, E.	Warner
Damrow	Kremer	Rasmussen, R.	Wylie

Voting in the negative, 0.

Not voting, 3:

Danner	Fleming	Thompson
--------	---------	----------

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

Members Excused

Messrs. Russillo and Marvel asked to be excused for the remainder of the day.

SELECT FILE**LEGISLATIVE BILL 11.**

Mr. Carpenter offered the following amendment which was adopted by unanimous consent:

1. Amend Standing Committee Amendment 1, section 2, line 5 by inserting "(f)" after "1714".

Mr. Ruhnke renewed his motion to advance LB 11 to E and R for engrossment.

The motion prevailed.

Announcements

Mr. Claussen announced that the Interim Study Committee on Hiring Practices would meet tomorrow morning, November 21, 1963, at 9:00 a.m.

Mr. Burbach announced that the Interim Study Committee on Taxation would meet today at 3:00 p.m.

Mr. Adamson announced that the Interim Study Committee on Legislative Processes would meet after adjournment tomorrow, November 21, 1963.

Adjournment

At 11:34 a.m., on a motion by Mr. Klaver, the Legislature adjourned until 2:00 p.m., November 21, 1963.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

TWENTY-SECOND DAY

Legislative Chamber, Lincoln, Nebraska
Thursday, November 21, 1963

Pursuant to adjournment, the Legislature met at 2:00 p.m.,
Speaker Moulton presiding.

Prayer was offered by Mr. Warner.

The roll was called and all members were present except Mr.
Thompson who was excused.

Correction for the Journal

Page 199, line 28, delete "Chasten" and insert "Christen".

The Journal for the Twenty-First Day was approved as cor-
rected.

Communication

Note of appreciation from Mr. Fleming thanking the Legislature
for the flowers sent for his mother's funeral.

MOTION—Suspend Rules

Mr. Carpenter moved to take up the Final Reading bills
scheduled for November 22 today, November 21.

The motion prevailed with 40 ayes, 0 nays and 3 not voting.

Announcement

Mr. Forrester announced that Mr. Nelson's eightieth birthday
was November 15. The members sang Happy Birthday to Mr.
Nelson.

Visitors

Mr. Craft introduced Jan Portz, Mr. and Mrs. Portz, and
daughter, Molley, from North Platte.

Mr. Warner introduced Mr. Joe Franson from Malcolm.

STANDING COMMITTEE REPORT**Enrollment and Review**

LEGISLATIVE BILL 11. Replaced on Select File as amended.

E and R amendments to LB 11:

1. Strike the Ruhnke Amendments 1 and 2, and Carpenter Amendment 1, adopted November 19, 1963, and insert:

"Amend the bill by adding a new section immediately after original section 6 to be known as section 14 and to read as follows:

"Sec. 14. *The provisions of this act shall become operative on December 16, 1963.*"

2. Strike Carpenter Amendment to renumbered section 2, adopted November 20, 1963, and insert:

"1. Amend Carpenter Amendment 1, to Standing Committee Amendment 1, adopted November 19, 1963, line 7 by striking "sections 21-1714," and insert "*subdivision (f) of section 21-1714, and section*".

3. Amend renumbered section 9, line 198 by inserting "*and the licensee and the*".

4. Amend Enrollment and Review Amendment 14, adopted November 19, 1963, line 9 by striking the comma after "Nebraska", line 24 by inserting "and provide" after "change", line 33 by inserting "; to remove certain restrictions for loans made by licensees under the provisions of sections 45-114 to 45-155, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto" after "loan", line 35 by inserting "and payment receipts" after "loans", strike lines 36 and 37 and strike "of computation;" in line 38, and in line 44 by inserting "; to provide an operative date" after "company".

5. Amend renumbered section 10 by striking line 64 and the words "this subsection" of line 65 and show the same as stricken matter.

(Signed) Eugene T. Mahoney, Chairman

Visitors

Mr. Stromer introduced Mr. Leo Bartunek from Lincoln.

Mr. Ruhnke introduced Mr. Willard Waldo from DeWitt.

Mr. Adamson introduced Mr. Paul Schuster from Gordon.

SELECT FILE

LEGISLATIVE BILL 11. E and R amendments found in today's Legislative Journal were adopted by unanimous consent.

Advanced to E and R for engrossment.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 24. With emergency.

A BILL FOR AN ACT to amend section 25-205, Reissue Revised Statutes of Nebraska, 1943, and section 1, Legislative Bill 815, Seventy-third Session, Nebraska State Legislature, 1963, relating to limitation of actions on written contracts and foreign judgments; to fix the time within which an action attacking the validity or enforceability or to rescind or declare void and uncollectible any written contract entered into pursuant to, in compliance with, or in reliance on, a statute which has been or hereafter is held to be unconstitutional may be brought or maintained; to prescribe that such limitation shall be one year from the final decision of the Supreme Court of Nebraska or one year after the effective date of this act, whichever is later; to provide that nothing contained in this act shall operate to revive or extend any action now barred by reason of any existing limitation; to provide a severability clause; to repeal the original sections; and to declare an emergency.

Whereupon the Speaker stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 40:

Adamson	Erlewine	Kremer	Rasmussen, R.
Bahensky	Fleming	Lysinger	Reeves
Bowen	Forrester	Mahoney	Ruhnke
Brandt	Foster	Marvel	Russillo
Bridenbaugh	Gerdes	McGinley	Skarda
Burbach	Gerhart	Moulton	Stalder
Claussen	Gottschalk	Nelson	Stromer
Craft	Hasebroock	Orme	Stryker
Damrow	Kjar	Payne	Syas
Danner	Klaver	Rasmussen, E.	Wylie

Voting in the negative, 2:

Carpenter	Warner
-----------	--------

Not voting, 1:

Thompson

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 7. With emergency.

Mr. Marvel asked unanimous consent to return LB 7 to Select File for the following specific amendments. No objections. So ordered.

1. Strike Marvel Amendment 3 to section 2, adopted November 13, 1963, and insert:

"3. Amend section 2, line 108 by inserting ", and for apportionment of funds thereunder" after "1963".

LB 7 was returned to Select File.

LEGISLATIVE BILL 23. With emergency.

A bill for an act to amend section 53-179, Reissue Revised Statutes of Nebraska, 1943, as amended by section 12, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, section 53-124, Revised Statutes Supplement, 1961, as amended by section 7, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, section 6, Legislative Bill 21, Seventy-third Session, Nebraska State Legislature, 1963, and section 53-103, Revised Statutes Supplement, 1961, as amended by section 1, Legislative Bill 8, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, relating to liquors; to redefine bottle club; to provide powers of bottle clubs; to provide for license fees for bottle clubs as prescribed; to change closing provisions of bottle clubs; to provide an operative date; to provide a savings clause; to repeal the original sections; and to declare an emergency.

Whereupon the Speaker stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 37:

Adamson	Carpenter	Erlewine	Gottschalk
Bahensky	Claussen	Fleming	Hasebroock
Brandt	Craft	Forrester	Kjar
Bridenbaugh	Damrow	Foster	Klaver
Burbach	Danner	Gerhart	Kremer

Lysinger	Orme	Russillo	Stryker
Mahoney	Rasmussen, E.	Skarda	Syas
Marvel	Rasmussen, R.	Stalder	Warner
Moulton	Ruhnke	Stromer	Wylie
Nelson			

Voting in the negative, 2:

McGinley Payne

Not voting, 4:

Bowen Gerdes Reeves Thompson

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 11. Correctly engrossed.

LEGISLATIVE BILL 19. Correctly enrolled.

LEGISLATIVE BILL 20. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

Speaker Signs

While the Legislature was in session and capable of transacting business, the Speaker signed: LB 19 and LB 20.

Explanation of Vote

Mr. President: My "Nay" vote on LB 23 was in error. It was my intention to vote "Aye" and request that this intention be so recorded in the Journal.

(Signed) Donald F. McGinley

No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 7. The Marvel specific amendments found in today's Legislative Journal were adopted by unanimous consent.

Advanced to E and R for re-engrossment.

Announcements

Mr. Craft reminded the members of the Interim Study Committee on Road Classification that they would meet for a few minutes after adjournment in the East Senate Lounge.

Mr. Brandt announced that the Interim Study Committee on Problems of Local Communities would meet after the Road Classification meeting.

Members Excused

Mr. Damrow asked to be excused for tomorrow, November 22, 1963.

Mr. Erlewine asked to be excused for the rest of the session.

Visitor

Speaker Moulton introduced U.S. Representative Glenn Cunningham. Messrs. Mahoney, Payne, Syas, Skarda, Klaver, Russillo and Danner escorted Representative Cunningham to the rostrum where he addressed the Legislature briefly.

Member Excused

Mr. Forrester asked to be excused for the remainder of the day.

Announcement

Mr. Srb announced that the State Retirement System forms should be read, completed and returned to his office before the end of the session.

RESOLUTION

LEGISLATIVE RESOLUTION 1. Mr. Carpenter moved to consider and adopt LR 1 at this time.

LR 1 was adopted with 30 ayes, 0 nays and 13 not voting.

Members Excused

Messrs. Foster, Stalder, Klaver, and Skarda asked to be excused for tomorrow.

Mr. Stromer asked to be excused for the rest of the day.

SUSPEND RULES—Saturday Meeting Time

Mr. Syas moved to suspend the rules and that when the Legislature adjourned on November 22, 1963 that it adjourn until 12:01 a.m., November 23, 1963.

The motion prevailed with 35 ayes, 1 nay and 7 not voting.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 7. Correctly re-engrossed.

(Signed) Eugene T. Mahoney, Chairman

Adjournment

At 4:18 p.m., on a motion by Mr. Carpenter, the Legislature adjourned until 10:00 a.m., November 22.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

TWENTY-THIRD DAY

Legislative Chamber, Lincoln, Nebraska

Friday, November 22, 1963

Pursuant to adjournment, the Legislature met at 10:00 a.m., President Burney presiding.

Prayer was offered by Mr. Stryker.

The roll was called and all members were present except Messrs. Damrow, Danner, Erlewine, Foster, Klaver, McGinley, Payne, E. Rasmussen, Stalder, Syas and Thompson who were excused.

Corrections for the Journal

Page 206, line 23, delete "licenses" and insert "licensees".

Page 206, line 30, correct the spelling of "stricken".

The Journal for the Twenty-second Day was approved as corrected.

Visitors

Mr. Ruhnke introduced Lester Lee, teacher, Waldon McNaught, teacher, and 87 students from Crete High School.

MOTION—Employee's Payroll

Mr. Moulton moved to pay the Legislative help through the week ending Saturday, November 23rd.

The motion prevailed.

Member's Birthday

Mr. Moulton announced that today was Mr. Stromer's birthday. The members sang Happy Birthday to him.

Point of Personal Privilege

Mr. Carpenter asked that the Chair appoint the Omaha delegation to escort Mr. Charles W. Hoye, long-time lobbyist to the rostrum.

Messrs. Mahoney, Moulton, Russillo and Skarda escorted Mr. Hoye to the rostrum where he addressed the Legislature briefly.

MOTION—Centennial Commission

Mr. Stryker moved that the Centennial Commission be granted permission to rent office space outside the Capitol Building at a rate no higher than \$50.00 per month as per their letter to the Legislative Council dated November 20, 1963.

The motion prevailed with 25 ayes, 1 nay and 17 not voting.

Communication

Letter from Theodore Redfield in favor of the Sunday Closing Law.

UNANIMOUS CONSENT—Committee Meetings

Mr. Marvel asked unanimous consent to have the Budget Committee meet in Executive Session at 1:30 p.m. today in the West Senate Lounge.

Mr. Stryker asked unanimous consent to have the Chairmen of the Interim Study Committees meet after adjournment today.

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LR 1

Escort Visitor

The President requested the Sergeant-at-arms to escort Raymond Cooney, President of the Senior Class at Crete High School, to sit beside the President's Chair.

RESOLUTIONS

LEGISLATIVE RESOLUTION 5. Re: In Memory of Edward J. Miille.

Introduced by Fern Hubbard Orme, District 20.

WHEREAS, Edward J. Miille, a member of the Legislature in 1919, died in Lincoln, Nebraska, November 20, 1963. He was born at Ponca, Nebraska. He was a former president of the Loretto State Bank and had been postmaster at Loretto. He served as secretary of the Nebraska State Fair Board for many years. He was active in church and civic affairs and belonged to many civic and

fraternal organizations. He leaves his wife, Jennie, a son and daughter and many grand and great grand children to mourn him.

WHEREAS, it is the desire of this body to pay tribute to the memory of our beloved colleague.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. That we pause for a moment in our deliberations and stand in humility and reverence in honor of our departed member, Edward J. Miille, who served so loyally and ably as a member of the Nebraska State Legislature.

2. That the Clerk of the Legislature be directed to spread at large on the Legislative Journal this resolution, and that a copy of said resolution, properly authenticated and suitably engrossed, be sent by the Clerk to the bereaved family of our departed colleague, as an expression of our respect for the deceased, and our sympathy for the bereaved.

The members stood for a moment in silent tribute.

SUSPEND RULES—Adopt LR 5

Mrs. Orme moved to suspend the rules and adopt LR 5.

The motion prevailed and LR 5 was adopted with 31 ayes, 0 nays and 12 not voting.

MOTION—Adjournment After Action by Governor

Mr. Warner moved that the Legislature should not adjourn sine die until the Governor has acted on all legislation passed by the 74th (Extraordinary) Session.

Mr. Russillo moved to hold the Warner motion until the number of votes needed to over-ride a veto of the Governor could be definitely determined.

Warner motion pending.

SUSPEND RULES—Take up LB 9

Mr. Carpenter moved to suspend the rules and take up LB 9.

The motion prevailed with 31 ayes, 0 nays and 12 not voting.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 23. Correctly enrolled.

LEGISLATIVE BILL 24. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 23 LB 24

Presented to Governor

November 21, 1963

Mr. President:

Your Assistant Clerk respectfully reports that he has on this day, at 4:30 p.m. presented to the Governor for his approval: LB 19 LB 20.

(Signed) Duane H. Hubbard
Assistant Clerk

LIST OF LEGISLATIVE EMPLOYEES

Paid from Special Legislative Funds

Duane Hubbard, Assistant Clerk of the Legislature
George Santo, Sergeant-at-arms
Don Cary, Assistant Sergeant-at-arms
Rev. Martin Schroeder, Chaplain
Ruby Nelson, Postmaster
Elsye Firestone, Journal Clerk
Barbara Weems, Journal Clerk
Theba Lubken, Secretary to Lieutenant Governor
Dorothy Hubertus, Stencil Cutter and Docket Clerk
Dorothy Jorgensen, Bookkeeper
Eunice V. Bradley, Steno Pool Supervisor
Ella Sue Steenson, Committee Clerk
Lillian Rasmussen, Committee Clerk
Helen Snook, Committee Clerk
Phyllis Camp, Secretary
Erma Ruhl, Secretary
Ellen Craft, Secretary
Berniece Severin, Secretary

Beverly Williams, Secretary
Mary Tryon, Dictaphone Operator
Monica Mahloch, Dictaphone and Telephone Operator
Bonnie Rasmussen, Page
Helen Hoppes, Page
Beth Kirk, Page
Bernard Taylor, Page
Charles Mohrman, Bill Room
Carl Temple, Bill Room
Walter Goodbrod, Bill Room
Al Otterman, Custodian
Bertha Johnston, Proof Reader
Elizabeth Reger, Proof Reader
Malinda Brown, Proof Reader
Mary Rank, Proof Reader
Rosemary Barfield, Proof Reader

MOTION—Employee's Salary Schedule

Mr. Moulton moved that in the figuring of the salaries of the employees of this session, the schedule of wages for the 1963 regular session be used.

The motion prevailed with 28 ayes, 0 nays and 15 not voting.

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 9. By Kenneth L. Bowen, 32nd District;
Michael P. Russillo, 9th District; Fred O.
Gottschalk, 26th District

A BILL FOR AN ACT for submission to the electors of an amendment to Article III, section 18, of the Constitution of Nebraska, relating to legislative powers; to authorize the Legislature to separately define and classify loans and installment sales, establish maximum rates within classifications of loans or installment sales which it establishes, and regulate with respect thereto; to provide for the submission of the proposed amendment to the electors at the general election in November, 1964; to provide for the manner of submission and form of ballot; and to provide the effective date thereof.

Be it enacted by the people of the State of Nebraska,

Section 1. That at the general election in November, 1964, there shall be submitted to the electors of the State of Nebraska for approval the following amendment to Article III, section 18, of

the Constitution of Nebraska, which is hereby proposed by the Legislature:

“Sec. 18. The Legislature shall not pass local or special laws in any of the following cases, that is to say:

For granting divorces.

Changing the names of persons or places.

Laying out, opening altering and working roads or highways.

Vacating roads, Town plats, streets, alleys, and public grounds.

Locating or changing County seats.

Regulating County and Township offices.

Regulating the practice of Courts of Justice.

Regulating the jurisdiction and duties of Justices of the Peace, Police Magistrates and Constables.

Providing for changes of venue in civil and criminal cases.

Incorporating Cities, Towns and Villages, or changing or amending the charter of any Town, City, or Village.

Providing for the election of Officers in Townships, incorporated Towns or Cities.

Summoning or empaneling Grand or Petit Juries.

Providing for the bonding of cities, towns, precincts, school districts or other municipalities.

Providing for the management of Public Schools.

The opening and conducting of any election, or designating the place of voting.

The sale or mortgage of real estate belonging to minors, or others under disability.

The protection of game or fish.

Chartering or licensing ferries, or toll bridges, remitting fines, penalties or forfeitures, creating, increasing and decreasing fees, percentage or allowances of public officers, during the term for which said officers are elected or appointed.

Changing the law of descent.

Granting to any corporation, association, or individual, the right to lay down railroad tracks, or amending existing charters for such purpose.

Granting to any corporation, association, or individual any special or exclusive privileges, immunity, or franchise whatever; *Provided*, that notwithstanding any other provisions of this Constitution, the Legislature shall have authority to separately define and classify loans and installment sales, to establish maximum rates within classifications of loans or installment sales which it establishes, and to regulate with respect thereto. In all other cases where a general law can be made applicable, no special law shall be enacted."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The proposition for the submission of the proposed amendment shall be placed upon the ballot in the following form:

"Constitutional amendment authorizing the Legislature to separately define, classify and regulate loans and installment sales and to establish maximum rates therefor.

- ☐ For
☐ Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass?'"

Voting in the affirmative, 26:

Bahensky	Fleming	Mahoney	Russillo
Bowen	Gerdes	Marvel	Skarda
Brandt	Gottschalk	Moulton	Stromer
Burbach	Hasebroock	Nelson	Stryker
Carpenter	Kjar	Orme	Warner
Claussen	Kremer	Rasmussen, R.	Wylie
Craft	Lysinger		

Voting in the negative, 6:

Adamson	Forrester	Reeves	Ruhnke
Bridenbaugh	Gerhart		

Not voting, 11:

Damrow	Foster	Payne	Syas
Danner	Klaver	Rasmussen, E.	Thompson
Erlewine	McGinley	Stalder	

A constitutional three-fifths majority having voted in the affirmative, the bill was declared passed and the title agreed to.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 9. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 9.

Announcement

In regard to the Warner motion which was discussed earlier, the Chair ruled that a bill that is vetoed by the Governor can be passed with 26 votes, however, the Governor cannot veto the entire budget bill or a Constitutional amendment.

Mr. Craft announced that the Interim Study Committee on Road Classification would meet in the Highway Commission Room at 1:30 p.m.

Mr. Adamson announced that the Interim Study Committee on Legislative Processes would meet after Mr. Stryker's meeting in the West Senate Lounge.

RESOLUTION

LEGISLATIVE RESOLUTION 6. Re: Orange Bowl Hopes for Nebraska Football Team.

Introduced by Marvin E. Stromer, 19th District; Eugene T. Mahoney, 8th District; J. W. Burbach, 14th District.

WHEREAS, a behemoth of spirit; and

WHEREAS, a frenzy of emotion; and

WHEREAS, a sweet scent of oranges has engulfed Nebraska.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. We unanimously express to Nebraska's football stalwarts our firm hopes for full speed ahead ALL THE WAY TO MIAMI,

and that athletic director Tippy Dye and head football coach Bob Devaney be so advised.

SUSPEND RULES—Adopt LR 6

Mr. Stromer moved to suspend the rules and adopt LR 6.

The motion prevailed and LR 6 was adopted with 30 ayes, 0 nays and 13 not voting.

UNANIMOUS CONSENT—Add Co-introducers

Mr. Stromer asked unanimous consent to add the following co-introducers to LR 6: Elvin Adamson, 40th District; LeRoy Bahensky, 29th District; Kenneth L. Bowen, 32nd District; William B. Brandt, 2nd District; Hal Bridenbaugh, 13th District; Terry Carpenter, 42nd District; Peter H. Claussen, 16th District; Cecil Craft, 38th District; George H. Fleming, 43rd District; M. M. Forrester, 35th District; George C. Gerdes, 41st District; H. L. Gerhart, 15th District; F. O. Gottschalk, 26th District; W. H. Hasebroock, 12th District; Albert A. Kjar, 36th District; M. A. Kremer, 25th District; Richard Lysinger, 34th District; Richard D. Marvel, 31st District; William Moulton, 10th District; Frank Nelson, 28th District; Fern Hubbard Orme, 20th District; Ross H. Rasmussen, 11th District; T. C. Reeves, 30th District; Arnold Ruhnke, 22nd District; Michael P. Russillo, 9th District; William R. Skarda, Jr., 7th District; Harold B. Stryker, 17th District; Jerome Warner, 18th District; and Matt Wylie, 27th District.

No objections. So ordered.

Announcement

Mr. Mahoney related some information to the members about the conditions now at the Beatrice State Home and ask that they consider these problems during the Interim.

A discussion period followed.

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LR 5.

Announcement

Mr. Warner announced that he would like his motion concerning adjournment held until the next meeting, at which time he would relate any new information on the subject.

MOTION—Publishing of Session Laws

Mr. President: I move that the Session Laws of the Seventy-fourth (Extraordinary) Session be published in paper-back form.
(Signed) Richard D. Marvel

The motion prevailed with 30 ayes, 0 nays and 16 not voting.

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LR 6.

Adjournment

At 11:25 a.m., on a motion by Mr. Adamson, the Legislature adjourned until 12:01 a.m., Saturday morning, November 23, 1963.

Hugo F. Srb
Clerk of the Legislature

LEGISLATIVE JOURNAL—SEVENTY-FOURTH SESSION

TWENTY-FOURTH DAY

Legislative Chamber, Lincoln, Nebraska
Saturday, November 23, 1963

Pursuant to adjournment, the Legislature met at 12:01 a.m., President Burney presiding.

Prayer was offered by Mr. Reeves.

The roll was called and all members were present except Messrs. Erlewine and Thompson who were excused.

Correction for the Journal

Page 214, line 17, correct the spelling of "sympathy".

The Journal for the Twenty-third day was approved as corrected.

Communication

Note of appreciation from the family of Rebecca Fleming.

Explanations of Vote

Mr. President: Had I been present, I would have voted "Nay" on LB 9. (Signed) George Syas

Mr. President: Had I been present when the vote was taken on LB 9, I would have voted "Aye". (Signed) Lloyd W. Stalder

Mr. President: Had I been present I would have voted against LB 9. . . a waste of \$15,000 of the taxpayer's money on a very bad bill. (Signed) Sam Klaver

Mr. President: Had I been present, I would have voted "Aye" on LB 9. (Signed) Dale Payne

Presented to the Governor

November 22, 1963

Mr. President:

Your Assistant Clerk respectfully reports that he has on this

day, at 11:30 a.m. presented to the Governor for his approval: LB 9
LB 23 LB 24

(Signed) Duane Hubbard
Assistant Clerk

RESOLUTIONS

LEGISLATIVE RESOLUTION 7. Re: Tribute to the President.

Introduced by Marvin E. Stromer, 19th District; William S. Moulton, 10th District; Harold B. Stryker, 17th District; Michael P. Russillo, 9th District.

WHEREAS, the people of the United States have lost an able leader in the tragic death of the President of the United States; and

WHEREAS, the world has lost a most capable leader; and

WHEREAS, it is the desire of this body to pay tribute to the memory of our beloved President.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SEVENTY-FOURTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. That we pause for a moment in our deliberations and stand in humility and reverence in honor of our departed President, John F. Kennedy.

2. That the Clerk of the Legislature be directed to spread at large on the Legislative Journal this resolution, and that a copy of said resolution, properly authenticated and suitably engrossed, be sent by the Clerk to the bereaved family of our departed President, as an expression of our respect for the deceased, and our sympathy for the bereaved.

Mr. Stromer requested unanimous consent to add all of the members' names as co-introducers of LR 7.

No objections. So ordered.

Mr. Stromer moved to suspend the rules and adopt LR 7.

The motion prevailed and LR 7 was adopted with 41 ayes, 0 nays and 2 not voting.

The members stood for a moment in silent tribute.

MOTION—Suspend Rules

Mr. Ruhnke moved to suspend the rules and take up LB 7 and LB 11 on Final Reading.

The motion prevailed with 41 ayes, 0 nays and 2 not voting.

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LR 7.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 11. With emergency.

A BILL FOR AN ACT to amend sections 21-1714 and 45-117, Reissue Revised Statutes of Nebraska, 1943, section 45-114, Revised Statutes Supplement, 1961, section 45-145, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 513, Seventy-third Session, Nebraska State Legislature, 1963, section 45-105, Reissue Revised Statutes of Nebraska, 1943, as amended by Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, sections 45-137, 45-138, 45-154, and 45-155, Reissue Revised Statutes of Nebraska, 1943, as amended by sections 1, 2, 3, and 4, respectively, Legislative Bill 17, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, and sections 45-101 and 45-102, Revised Statutes Supplement, 1961, as amended by sections 4 and 5, respectively, Legislative Bill 16, Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963, relating to interest; to change and provide penalties as prescribed; to provide for class of loans that on which a different rate of interest may be charged, as prescribed; to provide conditions for certain licensees as prescribed which may apply for license under terms and conditions of sections 45-114 to 45-155, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto; to reduce the amount that may be loaned as an installment loan; to remove certain restrictions for loans made by licensees under the provisions of sections 45-114 to 45-155, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto; to change provisions of prepayment, charges and statements required in installment loans and payment receipts; to eliminate provisions of revolving charge agreements and charges thereon; to eliminate the provisions for installment sales agreements and charges thereon; to eliminate the provisions for installment loans by any industrial loan and investment company; to provide an operative date; to provide a validity clause; to repeal the original sections, and also sections 8-418 to 8-431, and 8-801 to 8-814, Reissue Revised Statutes of Nebraska, 1943, Chapter 45, articles 2 and 3, Reissue Revised Statutes of Nebraska, 1943, sections 1 to 20, Legislative Bill 811, Seventy-third Session, Nebraska State Legislature, 1963, and section 8-432, Reissue Revised Statutes of Nebraska, 1943, as amended by section 1, Legislative Bill 18,

Seventy-fourth (Extraordinary) Session, Nebraska State Legislature, 1963; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 37:

Adamson	Fleming	Mahoney	Reeves
Bahensky	Foster	Marvel	Ruhnke
Bowen	Gerdes	McGinley	Russillo
Brandt	Gerhart	Moulton	Skarda
Bridenbaugh	Hasebroock	Nelson	Stalder
Burbach	Kjar	Orme	Stromer
Carpenter	Klaver	Payne	Stryker
Claussen	Kremer	Rasmussen, E.	Warner
Damrow	Lysinger	Rasmussen, R.	Wylie
Danner			

Voting in the negative, 4:

Craft	Forrester	Gottschalk	Syas
-------	-----------	------------	------

Not voting, 2:

Erlewine	Thompson
----------	----------

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 7. With emergency.

A BILL FOR AN ACT to amend sections 1, 13, 18, 24, 25, 26, 27, and 59, Legislative Bill 455, Seventy-third Session, Nebraska State Legislature, 1963, relating to appropriations for the state government of the State of Nebraska for the biennium beginning July 1, 1963, and ending June 30, 1965; to make appropriations for the state government of the State of Nebraska as prescribed; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Voting in the affirmative, 41:

Adamson	Brandt	Carpenter	Damrow
Bahensky	Bridenbaugh	Claussen	Danner
Bowen	Burbach	Craft	Fleming

Forrester	Kremer	Orme	Skarda
Foster	Lysinger	Payne	Stalder
Gerdes	Mahoney	Rasmussen, E.	Stromer
Gerhart	Marvel	Rasmussen, R.	Stryker
Gottschalk	McGinley	Reeves	Syas
Hasebroock	Moulton	Ruhnke	Warner
Kjar	Nelson	Russillo	Wylie
Klaver			

Voting in the negative, 0.

Not voting, 2:

Erlewine Thompson

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

STANDING COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 11. Correctly enrolled.

LEGISLATIVE BILL 7. Correctly enrolled.

(Signed) Eugene T. Mahoney, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed: LB 11 and LB 7.

MOTION—Journals, Session Laws

Mr. President: I move that the Clerk of the Legislature be instructed to send to each member of the Legislature, to the Lieutenant Governor, and to each authorized member of the Press, assigned to the Legislature of the Seventy-fourth (Extraordinary) Session, a copy of the permanent Legislative Journal of said session, and a copy of the Session Laws passed thereat. (Signed) Arnold Ruhnke

The motion prevailed.

MOTION—Retain Help

Mr. President: I move that the Clerk of the Legislature be directed to retain such help as may be required to complete the

business of the office for the Seventy-fourth (Extraordinary) Session of the Legislature. (Signed) H. L. Gerhart

The motion prevailed.

MOTION—Appreciation to Press

Mr. President: I move that a vote of thanks be given to the newspapers and the press associations for their accuracy and fairness in reporting to the people of our State the activities of this Session of the Legislature. (Signed) Elvin Adamson

The motion prevailed.

MOTION—Notify Governor

Mr. President: I move that a committee of five be appointed to wait upon the Governor to advise him that the Legislature has completed its work and is ready to adjourn and ask him if he has any further message for the Legislature. (Signed) J. W. Burbach

The motion prevailed and the President appointed the following to serve on said committee: Burbach, Forrester, R. Rasmussen, Bowen, and Orme.

MOTION—Approve Journal

Mr. President: I move that the Legislative Journal for the Twenty-fourth-Day be approved as prepared by the Clerk. (Signed) Harold B. Stryker

The motion prevailed.

Presented to the Governor

Presented to the Governor for approval on November 23, 1963 at 1:20 a.m.: LB 11 and LB 7.

(Signed) Duane Hubbard, Assistant Clerk

MOTION—Printing

Mr. President: I move that we approve the printing of the legislative bills, Session Laws, daily journals, and permanent Legislative Journal by Joe Christensen. (Signed) Richard D. Marvel

The motion prevailed.

Escort Governor

The committee escorted Governor Frank B. Morrison to the rostrum.

The Governor expressed appreciation and thanks to the members of the Legislature.

The committee escorted the Governor from the rostrum.

UNANIMOUS CONSENT—Withdraw Motion

Mr. Warner requested unanimous consent to withdraw his pending motion found in the Legislative Journal for the Twenty-third Day. No objections. So ordered.

Birthdays

Mr. Moulton announced that Mr. Russillo's birthday was Oct. 24, Mr. Warner's today, Mr. Payne's tomorrow and Mr. Bridenbaugh's Nov. 26th.

MOTION—Adjourn

Mr. President: The Seventy-fourth (Extraordinary) Session of the Legislature of Nebraska having finished all business before it, I move that it now adjourn sine die. (Signed) Peter H. Claussen

The motion prevailed with 41 ayes, 0 nays and 2 not voting, and at 1:40 a.m., the Legislature adjourned.

Hugo F. Srb
Clerk of the Legislature

CERTIFICATE

I, Hugo F. Srb, Clerk of the Legislature, hereby certify that the foregoing is a true and correct copy of the Legislative Journal of the Seventy-fourth (Extraordinary) Session of the Legislature of the State of Nebraska, convened and held in the City of Lincoln, State of Nebraska, October 21, 1963 to November 23, 1963.

(Signed) Hugo F. Srb
Clerk of the Legislature

December 18, 1963
Lincoln, Nebraska

LEGISLATIVE BILLS

Disposed of After Adjournment

Approved by the Governor:

Legislative Bill 24	November 22, 1963
Legislative Bill 23	November 22, 1963
Legislative Bill 20	November 22, 1963
Legislative Bill 19	November 22, 1963
Legislative Bill 7	November 27, 1963
Legislative Bill 11	November 27, 1963

Filed with the Secretary of State without Governor's signature:

Legislative Bill 9	November 27, 1963
--------------------	-------------------

LEGISLATIVE BILLS ENACTED INTO LAW

Seventy-fourth (Extraordinary) Session

- 1 Carpenter. School lands in Water Conservation Districts
- 3 Orme. Land purchase by University of Nebraska
- 4 Orme. Appropriation, University of Nebraska, vegetable re-
search
- 5 Committee on Budget, upon recommendation of the Governor.
Appropriation, Legislature, expenses
- 6 Committee on Budget, upon recommendation of the Governor.
Appropriation, Legislative Council, bill drafting, expenses
- 7 Committee on Budget, upon recommendation of the Governor.
Appropriation, state government
- 8 R. Rasmussen et al. Relating to liquor and nonprofit corpora-
tions
- 9 Bowen et al. Constitutional amendment relating to interest
rates and Legislature
- 11 Ruhnke et al. Installment loans and revolving charge agree-
ments, interest rate
- 15 Committee on Banking, Commerce and Insurance. Retail In-
stallment Sales Fund
- 16 Kjar et al. Retail installment contracts
- 17 Kjar et al. Relating to installment loans
- 18 Kjar et al. Industrial loans and investment companies
- 19 Kjar et al. Defining Legislative intent in construing loans
- 20 Gerdes et al. Medical Care for the Aged Fund
- 23 Stromer. Regulation of bottle clubs
- 24 Lysinger. Limitation of actions on written contracts and foreign
judgments

LEGISLATIVE BILLS

By Original Introducers*

LeROY BAHENSKY

8 with others

KENNETH L. BOWEN

- 9 Constitutional amendment relating to interest rates and Legislature
- 26 Installment loans, short term, illegal interest

HAL BRIDENBAUGH

20 with others

TERRY CARPENTER

- 1 School lands in Water Conservation Districts
- 2 Constitutional amendment relating to the Legislature and Supreme Court opinions
- 22 Debt management, licenses, contracts
- 25 Installment sales contracts, deferred payments
- 11 with others

CECIL CRAFT

- 10 Eliminating driver education program

GEORGE C. GERDES

- 20 Medical Care for the Aged Fund

H. L. GERHART

14, 16, 17, 18, 19, with others

FRED O. GOTTSCHALK

9 with others

LEGISLATIVE JOURNAL

WILLIAM H. HASEBROOCK

14, 16, 17, 18, 19, with others

ALBERT A. KJAR

- 14 Industrial loans, maximum rate increase
- 16 Retail installment contract
- 17 Relating to installment loans
- 18 Industrial loans and investment companies
- 19 Defining legislative intent in construing loans

RICHARD LYSINGER

- 24 Limitation of actions on written contracts and foreign judgments

EUGENE T. MAHONEY

10 with others

DON MCGINLEY

12 with others

FERN HUBBARD ORME

- 3 Land purchase by University of Nebraska
- 4 Appropriation, University of Nebraska, vegetable research
- 12 Appropriation, Department of Public Institutions, blind assistance

ROSS H. RASMUSSEN

- 8 Relating to liquor and nonprofit corporation

T. C. REEVES

- 13 Installment sales, contracts, interest, refund, penalties
- 21 Relating to liquor and nonprofit corporations

ARNOLD RUHNKE

- 11 Installment loans and revolving charge agreements, interest rate

MICHAEL P. RUSSILLO

9, 14, with others

WILLIAM R. SKARDA, JR.

10 with others

MARVIN E. STROMER

23 Regulation of bottle clubs

- * See also Bills introduced by Committees, page 234, and Chronology of Bills, page 236

LEGISLATIVE BILLS INTRODUCED BY COMMITTEES

Budget

- 5 Appropriation, Legislature, expenses
 - 6 Appropriation, Legislative Council, bill drafting, expenses
 - 7 Appropriation, state government
- (All introduced upon recommendation of the Governor)

Banking, Commerce and Insurance

- 15 Retail Installment Sales Fund

LEGISLATIVE BILLS IN COMMITTEES

Agriculture

- 3 Relating to land purchase by the University of Nebraska

Banking, Commerce and Insurance

- 11 Installment loans and revolving charge agreements, interest rate
- 13 Installment sales contracts, interest, refund, penalties
- 14 Industrial loans, maximum rate increase
- 16 Retail installment contract
- 17 Relating to installment loans
- 18 Industrial loans and investment companies
- 19 Defining legislative intent in construing loans
- 22 Debt management, licenses, contracts
- 24 Limitation of actions on written contracts and foreign judgments
- 25 Installment sales contracts, deferred payments
- 26 Installment loans, short term, illegal interest

Education

- 1 School lands in Water Conservation Districts
- 10 Eliminating driver education program

Government and Military Affairs

- 21 Relating to liquor and nonprofit corporations
- 23 Regulation of bottle clubs

Judiciary

- 2 Constitutional amendment relating to the Legislature and Supreme Court opinions
- 8 Relating to liquor and nonprofit corporation
- 9 Constitutional amendment relating to interest rates and Legislature

NEBRASKA STATE LEGISLATURE**Seventy-fourth (Extraordinary) Session**

Total Number of Bills Introduced26

The following table shows the final disposition
of each bill

Approved by the Governor, 16:

1 3 4 5 6 7 8 11 15 16 17 18 19 20 23 24

Filed With Secretary of State Without Governor's Signature, 1:

9

Indefinitely Postponed, 9:

2 10 12 13 14 21 22 25 26

Total Bills to Become Law17

CHRONOLOGY OF BILLS

Seventy-fourth (Extraordinary) Session

LEGISLATIVE BILL 1 By Carpenter

	Page
Oct. 21 Read first time	11
Oct. 21 Referred to Committee on Education	14
Oct. 23 Notice of hearing	24
Nov. 1 Placed on General File	56
Nov. 4 Referred for review	62
Nov. 5 Placed on Select File	70
Nov. 7 Referred for engrossment	94
Nov. 7 Replaced on Select File. Referred for engrossment	104
Nov. 8 Correctly engrossed	115
Nov. 14 Final Reading	165
Nov. 15 Correctly enrolled	178
Nov. 15 President signed	179
Nov. 15 Presented to Governor	181
Nov. 19 Approved by Governor	184

LEGISLATIVE BILL 2 By Carpenter

Oct. 21 Read first time	12
Oct. 21 Referred to Committee on Judiciary	14
Oct. 22 Notice of hearing	16
Oct. 31 Indefinitely postponed	54
Nov. 4 Motion	63

LEGISLATIVE BILL 3 By Orme

Oct. 21 Read first time	13
Oct. 21 Referred to Committee on Agriculture	14
Oct. 22 Notice of hearing	16
Oct. 30 Placed on General File. Change of order. Referred for review	52
Oct. 31 Placed on Select File	54
Nov. 1 Referred for engrossment	58
Nov. 4 Correctly engrossed	62
Nov. 7 Final Reading	93
Nov. 7 Correctly enrolled. President signed	105
Nov. 8 Presented to Governor	108
Nov. 12 Approved by Governor	118

	Page
LEGISLATIVE BILL 4 By Orme	
Oct. 21 Read first time	13
Oct. 21 Referred to Committee on Budget	14
Oct. 21 Notice of hearing	15
Nov. 1 Placed on General File	56
Nov. 4 Referred for review	62
Nov. 5 Placed on Select File	70
Nov. 6 Department approval	81
Nov. 6 Referred for engorssment	86
Nov. 7 Correctly engrossed	96
Nov. 13 Final Reading	131
Nov. 13 Explanation of vote	139
Nov. 14 Correctly enrolled. President signed	164
Nov. 15 Presented to Governor	175
Nov. 19 Approved by Governor	184

LEGISLATIVE BILL 5 By Committee on Budget, upon recommendation of the Governor

Oct. 21 Read first time	13
Oct. 21 Referred to Committee on Budget	14
Oct. 21 Rules suspended. Placed on General File	15
Oct. 23 Referred for review	24
Oct. 23 Placed on Select File. Rules suspended. Referred for engrossment	26
Oct. 24 Correctly engrossed	31
Oct. 29 Final Reading	45
Oct. 29 Correctly enrolled. President signed. Explanation of vote	47
Oct. 30 Presented to Governor	49
Oct. 30 Approved by Governor	48

LEGISLATIVE BILL 6 By Committee on Budget, upon recommendation of the Governor

Oct. 21 Read first time	13
Oct. 21 Referred to Committee on Budget	14
Oct. 21 Rules suspended. Placed on General File	15
Oct. 23 Referred for review	24
Oct. 23 Placed on Select File	26
Oct. 23 Rules suspended. Referred for engrossment	27
Oct. 24 Correctly engrossed	31
Oct. 29 Final Reading	46
Oct. 29 Correctly enrolled. President signed. Explanation of vote	47
Oct. 30 Presented to Governor	49
Oct. 30 Approved by Governor	48

LEGISLATIVE BILL 7 By Committee on Budget, upon recommendation of the Governor

	Page
Oct. 21 Read first time. Referred to Committee on Budget	14
Oct. 21 Notice of hearing	15
Oct. 23 Chair ruling	24
Nov. 4 Placed on General File	65
Nov. 5 Laid over	74
Nov. 5 Considered	75
Nov. 5 Referred for review	76
Nov. 6 Department approval	81
Nov. 7 Placed on Select File	96
Nov. 8 Considered. Laid over	108
Nov. 8 Referred for engrossment	116
Nov. 13 Returned to Select File. Referred for engrossment	132
Nov. 13 Returned to Select File. Referred for engrossment	159
Nov. 19 Replaced on Select File	195
Nov. 19 Referred for engrossment. Correctly engrossed	198
Nov. 21 Returned to Select File	208
Nov. 21 Referred for re-engrossment	209
Nov. 21 Correctly re-engrossed	211
Nov. 23 Rules suspended	223
Nov. 23 Final Reading	225
Nov. 23 Correctly enrolled. President signed	226
Nov. 23 Presented to Governor	227
Approved by Governor	229

LEGISLATIVE BILL 8 By R. Rasmussen, Bahensky

Oct. 22 Read first time	17
Oct. 22 Referred to Committee on Judiciary	22
Oct. 23 Rules suspended. Notice of hearing	24
Oct. 31 Placed on General File	54
Nov. 1 Referred for review	58
Nov. 4 Placed on Select File	62
Nov. 5 Referred for engrossment	73
Nov. 6 Correctly engrossed	89
Nov. 12 Final Reading	123
Nov. 12 Explanation of vote	124
Nov. 13 Correctly enrolled. President signed	130
Nov. 13 Presented to Governor	159
Nov. 13 Approved by Governor	162

LEGISLATIVE BILL 9 By Bowen, Russillo, Gottschalk

Oct. 22	Read first time	17
Oct. 22	Referred to Committee on Judiciary	22
Oct. 23	Rules suspended. Notice of hearing	24
Nov. 4	Placed on General File	69
Nov. 5	Held	75
Nov. 8	Referred for review	115
Nov. 13	Placed on Select File	129
Nov. 13	Referred for engrossment	157
Nov. 14	Correctly engrossed	164
Nov. 15	Returned to Select File	181
Nov. 15	Motion	182
Nov. 19	Motion	190
Nov. 19	Motion	191
Nov. 19	Referred for re-engrossment	193
Nov. 20	Replaced on Select File	200
Nov. 20	Referred for engrossment. Correctly re-engrossed	201
Nov. 22	Rules suspended	214
Nov. 22	Final Reading	216
Nov. 22	Correctly enrolled. President signed	219
Nov. 23	Explanations of vote. Presented to Governor	222
	Filed with Secretary of State without Governor's signature	229

LEGISLATIVE BILL 10 By Craft, Mahoney, Skarda

Oct. 22	Read first time	19
Oct. 22	Referred to Committee on Education	22
Oct. 23	Notice of hearing	24
Nov. 1	Indefinitely postponed	58

LEGISLATIVE BILL 11 By Ruhnke, Carpenter

Oct. 22	Read first time	19
Oct. 22	Referred to Committee on Banking, Commerce and Insurance	22
Oct. 24	Rules suspended. Notice of hearing	35
Nov. 6	Placed on General File	82
Nov. 8	Held	108
Nov. 8	Rules suspended. Report	109
Nov. 8	Motions	111
Nov. 8	Referred for review	114
Nov. 13	Motion	157
Nov. 13	Motion lost	158
Nov. 14	Motion	173

	Page
Nov. 15 Motion lost	181
Nov. 19 Placed on Select File	185
Nov. 19 Considered. Referred for engrossment	193
Nov. 19 Motion	196
Nov. 19 Returned to Select File. Referred for engrossment	197
Nov. 20 Returned to Select File	200
Nov. 20 Considered. Laid over	201
Nov. 20 Referred for engrossment	204
Nov. 21 Replaced on Select File	206
Nov. 21 Referred for engrossment	207
Nov. 21 Correctly engrossed	209
Nov. 23 Rules suspended	223
Nov. 23 Final Reading	224
Nov. 23 Correctly enrolled. President signed	226
Nov. 23 Presented to Governor	227
Approved by Governor	229

LEGISLATIVE BILL 12 By Orme, McGinley

Oct. 22 Read first time	20
Oct. 23 Referred to Committee on Budget	22
Oct. 24 Notice of hearing	34
Nov. 4 Indefinitely postponed	63

LEGISLATIVE BILL 13 By Reeves

Oct. 23 Read first time	25
Oct. 23 Rules suspended. Referred to Committee on Banking, Commerce and Insurance	27
Oct. 24 Rules suspended. Notice of hearing	35
Nov. 6 Indefinitely postponed	89

LEGISLATIVE BILL 14 By Kjar, Russillo, Gerhart

Oct. 23 Read first time. Co-introducer added. Rules suspended. Referred to Committee on Banking, Commerce and Insurance	27
Oct. 24 Rules suspended. Notice of hearing	35
Nov. 5 Indefinitely postponed	76

LEGISLATIVE BILL 15 By Committee on Banking, Commerce and Insurance

Oct. 24 Read first time	30
Oct. 24 Rules suspended	33

CHRONOLOGY OF BILLS

241

	Page
Oct. 24 Referred to Committee on Budget.	
Notice of hearing	34
Nov. 4 Placed on General File	63
Nov. 5 Referred for review	74
Nov. 6 Department approval	81
Nov. 6 Placed on Select File	88
Nov. 7 Referred for engrossment	94
Nov. 8 Correctly engrossed	108
Nov. 14 Final Reading	164
Nov. 15 Correctly enrolled	178
Nov. 15 President signed	179
Nov. 15 Presented to Governor	181
Nov. 19 Approved by Governor	184

LEGISLATIVE BILL 16 By Kjar, Gerhart, Hasebroock

Oct. 24 Read first time	31
Oct. 24 Rules suspended	33
Oct. 24 Referred to Committee on Banking, Commerce and Insurance	34
Oct. 24 Rules suspended. Notice of hearing	35
Nov. 4 Placed on General File	60
Nov. 5 Laid over	74
Nov. 5 Referred for review. Returned to General File. Referred for review	77
Nov. 6 Placed on Select File	89
Nov. 7 Laid over	94
Nov. 8 Referred for engrossment	116
Nov. 12 Correctly engrossed	118
Nov. 12 Attorney General's opinion	119
Nov. 13 Analysis	133
Nov. 15 Final Reading	175
Nov. 15 Correctly enrolled	178
Nov. 15 President signed	179
Nov. 15 Presented to Governor	181
Nov. 15 Approved by Governor	184

LEGISLATIVE BILL 17 By Kjar, Gerhart, Hasebroock

Oct. 24 Read first time	32
Oct. 24 Rules suspended	33
Oct. 24 Referred to Committee on Banking, Commerce and Insurance	34
Oct. 24 Rules suspended. Notice of hearing	35
Nov. 4 Placed on General File	60
Nov. 5 Laid over	74
Nov. 5 Motion	77

	Page
Nov. 5 Referred for review	78
Nov. 7 Placed on Select File	96
Nov. 8 Referred for engrossment	116
Nov. 12 Attorney General's opinion	119
Nov. 12 Replaced on Select File	127
Nov. 13 Analysis	135
Nov. 13 Referred for engrossment	156
Nov. 13 Replaced on Select File	161
Nov. 13 Referred for engrossment. Correctly engrossed	162
Nov. 14 Rules suspended	173
Nov. 15 Final Reading	177
Nov. 15 Correctly enrolled. President signed	179
Nov. 15 Presented to Governor	181
Nov. 19 Approved by Governor	184

LEGISLATIVE BILL 18 By Kjar, Gerhart, Hasebroock

Oct. 24 Read first time	32
Oct. 24 Rules suspended	33
Oct. 24 Referred to Committee on Banking, Commerce and Insurance	34
Oct. 24 Rules suspended. Notice of hearing	35
Nov. 4 Placed on General File	60
Nov. 5 Laid over	74
Nov. 5 Referred for review	79
Nov. 7 Placed on Select File	96
Nov. 8 Referred for engrossment	116
Nov. 12 Correctly engrossed	118
Nov. 12 Attorney General's opinion	119
Nov. 13 Analysis	136
Nov. 15 Final Reading	177
Nov. 15 Correctly enrolled. President signed	179
Nov. 15 Presented to Governor	181
Nov. 19 Approved by Governor	184

LEGISLATIVE BILL 19 By Kjar, Hasebroock, Gerhart

Oct. 24 Read first time. Rules suspended	33
Oct. 24 Referred to Committee on Banking, Commerce and Insurance	34
Oct. 24 Rules suspended. Notice of hearing	35
Nov. 4 Placed on General File	60
Nov. 5 Laid over	74
Nov. 5 Considered	79
Nov. 6 Considered. Laid over	87
Nov. 7 Referred for review	106
Nov. 8 Placed on Select File	115

CHRONOLOGY OF BILLS

243

	Page
Nov. 12 Attorney General's opinion	119
Nov. 12 Motion	123
Nov. 13 Analysis	136
Nov. 13 Motion withdrawn. Referred for engrossment	140
Nov. 14 Replaced on Select File	163
Nov. 14 Referred for engrossment. Correctly engrossed	173
Nov. 20 Final Reading	202
Nov. 21 Correctly enrolled. Speaker signed	209
Nov. 22 Presented to Governor	215
Approved by Governor	229

LEGISLATIVE BILL 20 By Gerdes, Bridenbaugh

Oct. 24 Read first time. Referred to Committee on Budget. Rules suspended. Notice of hearing	34
Nov. 4 Placed on General File	64
Nov. 5 Referred for review	74
Nov. 6 Department approval	81
Nov. 6 Placed on Select File	88
Nov. 7 Change of order. Referred for engrossment	94
Nov. 7 Replaced on Select File	106
Nov. 7 Referred for engrossment	107
Nov. 8 Correctly engrossed	115
Nov. 13 Returned to Select File	132
Nov. 13 Referred for re-engrossment	158
Nov. 14 Correctly re-engrossed	173
Nov. 20 Final Reading	203
Nov. 21 Correctly enrolled. Speaker signed	209
Nov. 22 Presented to Governor	215
Approved by Governor	229

LEGISLATIVE BILL 21 By Reeves

Oct. 25 Read first time	37
Oct. 25 Rules suspended	41
Oct. 25 Referred to Committee on Government and Military Affairs. Notice of hearing	42
Nov. 4 Indefinitely postponed	65

LEGISLATIVE BILL 22 By Carpenter

Oct. 25 Read first time	38
Oct. 25 Rules suspended	41
Oct. 25 Referred to Committee on Banking, Commerce and Insurance. Notice of hearing	42
Nov. 5 Indefinitely postponed	76

	Page
LEGISLATIVE BILL 23 By Stromer	
Oct. 25 Read first time	40
Oct. 25 Rules suspended	41
Oct. 25 Referred to Committee on Government and Military Affairs. Notice of hearing	42
Nov. 4 Placed on General File	64
Nov. 5 Laid over	75
Nov. 6 Considered	87
Nov. 6 Motion	89
Nov. 7 Considered. Laid over	97
Nov. 7 Considered. Laid over	101
Nov. 7 Motion. Referred for review	106
Nov. 12 Placed on Select File	118
Nov. 12 Referred for engrossment	126
Nov. 19 Replaced on Select File	184
Nov. 19 Referred for engrossment	185
Nov. 19 Correctly engrossed	198
Nov. 21 Rules suspended	205
Nov. 21 Final Reading	208
Nov. 21 Explanation of vote	209
Nov. 22 Correctly enrolled. President signed	215
Nov. 23 Presented to Governor	222
Approved by Governor	229
LEGISLATIVE BILL 24 By Lysinger	
Oct. 25 Read first time	40
Oct. 25 Rules suspended	41
Oct. 25 Referred to Committee on Banking, Commerce and Insurance. Notice of hearing	42
Nov. 6 Placed on General File	86
Nov. 7 Referred for review	100
Nov. 8 Placed on Select File	115
Nov. 12 Referred for engrossment	126
Nov. 13 Correctly engrossed	158
Nov. 13 Returned to Select File. Referred for re-engrossment	159
Nov. 15 Returned to Select File. Referred for re-engrossment	180
Nov. 19 Replaced on Select File	195
Nov. 19 Referred for re-engrossment. Correctly re-engrossed	198
Nov. 21 Rules suspended	205
Nov. 21 Final Reading	207
Nov. 22 Correctly enrolled. President signed	215
Nov. 23 Presented to Governor	222
Approved by Governor	229

CHRONOLOGY OF BILLS

245

Page

LEGISLATIVE BILL 25 By Carpenter

Oct.	25	Read first time. Rules suspended	41
Oct.	25	Referred to Committee on Banking, Commerce and Insurance. Notice of hearing	42
Nov.	5	Indefinitely postponed	76

LEGISLATIVE BILL 26 By Bowen

Oct.	25	Read first time. Rules suspended	41
Oct.	25	Referred to Committee on Banking, Commerce and Insurance. Notice of hearing	42
Nov.	6	Indefinitely postponed	89
Nov.	7	Motion	104

GENERAL INDEX

	Page
ADJOURNMENT	
Sine Die	228
Sine Die, action on Legislation	214, 220, 228
Veterans' Day	105
 AMENDMENTS; Constitutional (See Constitutional Amend- ments; particular bills)	
 ANNOUNCEMENTS (See also Legislature)	
Chair ruling, Governor's veto	219
Conditions at Beatrice State Home	220
Explanation of LB 16, 17, 18 and 19 on desks	105
Gettysburg Address delivered	183
LB 7 amendments	68
Letter to Frank Woods	47
Long distance calls	15
Newspaper editorial	43
Pamphlets	30, 73
Picture re-taken	184
Recording machine	77, 78
Session Laws and Supplement	17
Statements of intent	23
State Retirement System forms	210
Stationery order	42
Stromer thesis in Clerk's office	196
Supreme Court decision	31
Supreme Court ruling	11
Time sales hearing material	48
Usury law penalty	129
 APPOINTMENTS	
Cleavenger, Jack M., State Employees Retirement Fund	19, 49, 71, 72
Danielson, J. Arthur, Nebr. Educational Television Commission	18, 49, 92, 169
DeLay, J. J., Board of Educational Lands and Funds	18, 93, 170

	Page
Fisk, Lowell, State Employees Retirement Fund	19, 49, 71
Fowler, Charles F., State Board of Health	29, 93, 171
Frank, Mrs. Maurice, Nebr. Educational Television Commission	18, 49, 92, 167
Humphries, Merle, State Employees Retirement Fund	19, 49, 71, 72
Irish, Dean, State Employees Retirement Fund	19, 49, 71, 73
Jones, Hodge, State Employees Retirement Fund	19, 49, 92, 170
Kingsbury, Merle, Highway Advisory Commission	18, 50, 51
Maresh, Joseph, Nebr. Educational Television Commission	18, 49, 92, 167
Maxson, Dr. Theron B., Nebr. Educational Television Commission	18, 49, 92, 169
Metzger, C. E., Highway Advisory Commission	18, 50, 51
Minnick, Robert, Nebr. Educational Television Commission	18, 49, 92, 168
O'Keefe, Robert, Highway Advisory Commission	18, 50
Payne, Dr. Loyal, State Board of Health	29, 93, 171
Sidders, J. S., Nebr. Motor Vehicle Dealers License Board	53
Smith, Homer P., Nebr. Motor Vehicle Dealers License Board	53
Smith, Ray L., Nebr. Oil & Gas Conservation Commission	29, 93, 172
Watkins, Dr. Steven N., Nebr. Educational Television Commission	18, 49, 92, 168

APPRECIATION (See also Legislature, Communications)

Fleming, Family of Rebecca	222
Fleming, Mr.	205
Members by Governor	228
Press	227
Schroeder, Mrs. Florence	184

APPROPRIATIONS

Bill drafting, Legislative Council, expenses, LB 6	237
Department of Public Institutions, blind, LB 12	240
Legislature, expenses, LB 5	237
State government, LB 7	238
University of Nebr., vegetable research, LB 4	237

ATTORNEY GENERAL OPINIONS

LB 16, 17, 18 and 19	119
LB 441	90

GENERAL INDEX

249

	Page
BANKS AND BANKING; Director, refunds, Retail	
Installment Sales Fund, LB 15	240

BILLS

Approved by Governor	235
By original introducers	231
Chronology	236
Disposed of after adjournment	229
Enacted into law	230
Hearing on usury bill	16
In Committees	234
Indefinitely postponed	235
Introduced at request of Governor (See Governor)	
Introduced by Committees	234
Introduced, total	235
Introduction - time limit	12
Introduction - votes required	13
Mailing cost	62
Statements of intent	23
Summary	235

BLIND ASSISTANCE; appropriation, increase, LB 12	240
---	------------

BOTTLE CLUBS

Nonprofit corporation, redefine, LB 8	238
Nonprofit corporations, LB 21	243
Powers, fees, closing provisions, LB 23	244

BUDGET; biennial, amendments, LB 7	238
---	------------

CERTIFICATES

Clerk of the Legislature	229
Secretary of State, proclamation	4

CHAPLAINS, VISITING

Berg, Rev. Darrel E., Trinity Methodist Church	1
Lemon, Rev. Carroll H., Sec., Council of Churches	23
Schroeder, Rev. Martin, Messiah Lutheran Church, Grand Island	60
Strempeke, Dr. Vernon, Central Lutheran Theological Seminary, Fremont	199

CHRONOLOGY OF BILLS	236
----------------------------------	------------

	Page
CLAIMS: appropriation, University of Nebraska, vegetable research, LB 4	237

CLERK, LEGISLATURE

Certificate	229
Employees, retain	226
Federal Communications Commission Report, Omaha Television, filed	43
Journal, Session Laws, furnish to members, press	226
Stromer thesis filed	196
University of Nebraska dormitory and food facilities plans filed	26

COMMITTEES

Banking, Commerce and Insurance	17, 30, 35, 63, 69, 79
Budget	12, 16, 22, 54, 56, 88, 128, 213
Committee on Committees	19, 23, 30, 37, 44, 49, 50, 71, 86, 92, 93, 119, 166
Escort Mr. Charles Hoyer	212
Intergovernmental Cooperation	117, 161, 197
Judiciary	24, 47, 63
Legislative Processes Interim Study	68, 105, 219
Meeting, Interim Study Committee Chairmen	213
Notify and escort Governor	4, 5, 227, 228
Problems of Local Communities Interim Study	210
Reference	14, 21, 22, 33, 34, 41, 42
Road Classification Interim Study	69, 76, 117, 163, 210, 219

COMMUNICATIONS

Expressions of Appreciation	
Fleming, Mr.	205
Fleming, Rebecca, family	222
Schroeder, Mrs. Florence	184
Federal Communications Commission Report	43
Marquardt, Chester C., Scribner	23
Redfield, Theodore, Lincoln	213

CONSERVATION DISTRICTS: easements, rights-of-way, LB 1	236
---	-----

CONSTITUTIONAL AMENDMENTS

Legislature, regulation of installment loan interest, LB 9	239
Supreme Court opinions, Legislature, LB 2	236

GENERAL INDEX

251

	Page
CONTRACTS	
Action on, time limitation, LB 24	244
Debt management licenses, LB 22	243
Deferred payments, LB 25	245
CORPORATIONS; nonprofit, bottle clubs, LB 8, LB 21	238, 243
COURTS; District, actions, judgments, contracts, limitation, LB 24	244
DEBT MANAGEMENT; licenses, contracts, revenue, LB 22	243
DEPARTMENT OF BANKING; debt management licensee, regulations, LB 22	243
DEPARTMENT OF PUBLIC INSTITUTIONS; blind assistance appropriations, LB 12	240
DRIVER EDUCATION FUND; elimination, LB 10	239
EDUCATIONAL TELEVISION COMMISSION	
Plans, specifications, LR 2 (See Resolutions)	
Study by competent engineers, LR 4 (See Resolutions)	
EASEMENTS; Water Conservation Districts, LB 1	236
EMINENT DOMAIN; Water Conservation Districts, LB 1	236
FLOWERS, SPECIAL OCCASIONS	164
GAME, FORESTATION AND PARKS COMMISSION; real estate, University of Nebraska, LB 3	236
GOVERNOR MORRISON	
Addressed Legislature	5, 228
Appointments	18, 29, 53
Bills approved	235
Bills approved after adjournment	229
Bills, introduction requested	
Legislative Council, bill drafting expense appropriation, LB 6	237
Legislature expenses appropriation, LB 5	237
State government expenses appropriation, LB 7	238

	Page
Escorted, notified	4, 5, 227, 228
Message to Legislature	
Proclamation	2
Proclamation	2
 INDUSTRIAL LOANS	
Interest, graduated rates, LB 14	240
Investment companies, violations, LB 18	242
INSTALLMENT CONTRACTS; public policy, LB 16	241
 INSTALLMENT LOANS	
Contracts, deferred payment, LB 19	242
Legislature, regulation of interest, Constitutional amendment, LB 9	239
Prepayment, charges, statements, penalties, LB 11	239
Repayment, penalties, remedies, LB 17	241
Small, short term, illegal interest, LB 26	245
 INSTALLMENT SALES	
Contracts, deferred payment, LB 25	245
Contracts, interest, refund, penalties, LB 13	240
Refunds, LB 15	240
 INTEREST	
Contracts, deferred payments, LB 25	245
Industrial loans, investment companies, LB 18	242
Industrial loans, maximum rate increase, LB 14	240
Installment loans, maximum rates, exceptions, LB 11	239
Installment loans, repayment, security, illegal interest, LB 26	245
Installment sales, refunds, violations, LB 13	240
Rates, Supreme Court determination of constitutionality and limitation, LR 1 (See Resolutions)	
Regulations, Constitutional amendment, LB 9	239
JUDGMENTS; foreign, contracts, actions on, LB 24	244
 LEGISLATIVE COUNCIL	
Executive Board, explain Dormitory bonds	17
Expenses, bill drafting, LB 6	237

LEGISLATURE

Adjournment, sine die	228
Appreciation (See specific heading)	
Appropriations (See specific heading)	
Attorney General, opinions (See Attorney General)	
Bill drafting appropriation, LB 6	237
Bills, Chronology	236
Birthdays	205, 212, 228
Call to order	1
Chair rulings	197, 219
Clerk	
Certificate	229
Federal Communications Commission Report,	
Omaha Television, filed	43
Retain help	226
Stromer thesis on file	196
University of Nebraska dormitory and food	
facilities plans filed	26
Committees (See Committees)	
Declaration	2
Employees	
List	215
Payroll ending	212
Retain after session	226
Salary schedule	216
Expenses, members' mileage, supplies, appropriation, LB 5	237
Gettysburg Address delivered	183
Installment loan interest regulation, Constitutional	
amendment, LB 9	239
Intent, buyer-seller contracts, LB 19	242
Long Distance calls	15
Members	
Bahensky; explanation of motion vote	40
Bowen; pamphlet distribution	73
Carpenter	
Letter to Frank Woods	47
Newspaper editorial distributed	43
Permission to speak, LB 18	177
Print pamphlet in Journal	140
Sale of transcribed verbatim material	101
Tribute to Mr. Charles W. Hoyer	212
Craft; print remarks in Journal	20
Danner; print article in Journal	95
Gerdes; print Attorney General opinion, LB 441	
in Journal	90

	Page
Kjar; print statement in Journal	192
Mahoney	
Beatrice State Home conditions	220
Explanation of motion vote	44
Orme; escort visitor	166
Reeves; time sales hearing material distributed	48
Russillo	
Print analyses in Journal	133
Print article in Journal	121
Time Sales report	11
Usury law penalty pamphlet distributed	129
Skarda	
Explanation of motion vote	44
Pamphlets distributed	30
Stromer	
Print Attorney General opinion	119
Print Proclamation in Journal	4
Thesis "Congressional Redistricting in Nebraska, 1961" in Clerk's office	196
Stryker	
Centennial Commission office space	213
Dormitory bonds	17
Memory of deceased members, LR 5 (See Resolutions)	
Officers, committees, retain	4
Photograph re-taken	184
Rules	4
Session laws, Journals, distribution	226
Statement of Intent	23
State Retirement System forms	210
Stationery order	42
Supreme Court opinions, Constitutional amendment, LB 2	236

LIQUOR

Bottle clubs, nonprofit corporations, LB 21	243
Bottle clubs, powers, fees, closing, LB 23	244
Redefine nonprofit corporation, LB 8	238

LOANS: installment, rates, provisions, LB 17	241
---	-----

MEDICAL ASSISTANCE: aged, vendor payment, LB 20	243
--	-----

MEDICAL CARE FOR THE AGED FUND: head tax, LB 20	243
--	-----

MOTIONS

Adjournment after action by Governor	214, 220, 228
Adjourn Sine Die	228
Adopt Committee on Committees report	50, 71, 93, 119
Adopt University of Nebraska report	26
Appreciation to press	227
Approval of departments of LB 4, LB 7, LB 15 and LB 20 before Final Reading	81
Approve Journal	227
Approve printing	227
Centennial Commission outside office space	213
Copies of LB 11 on members' desks	97
Employees payroll ending	212
Employees' salary schedule	216
Escort visitor	166
Flowers	164
Hearing on usury bill	16
Hearing time change	35
Hold Committee on Committees report	119, 166
Introduction of bills	12, 13
Journal, Session Laws, distribution	226
Legislature at ease, repair recorder	78
Machine votes as record vote on appointments	172
Mailing of bills, cost	62
Notify Governor	4, 227
Officers retained	4
Permission to speak on LB 18	177
Print Proclamation in Journal	4
Publishing of Session Laws	221
Recess for a week	81
Retain help	226
Saturday meeting time	211
Time sales report	11
Unlimited debate	73
Use rules of 73rd Session	4
Usury rate, bank assurance	38
Veterans' Day adjournment	105

PRESIDENT: United States, tribute, LR 7 (See Resolutions)

PRESS

Appreciation	227
Session Laws, Journals	226

	Page
PRINTING	
Letters, reports, statements, requested by members (See Legislature)	
Session Laws, approval	227
Session Laws, paper-back	221
PROCLAMATION	2, 4
PUBLIC HEALTH AND WELFARE; aged, medical assistance	
funds, LB 20	243
REPORTS	
Banking, Commerce and Insurance Committee report on LB 11 printed	109
Committee on Committees, appointment	49, 71, 92
Federal Communications Commission	43
Reference report	14, 22, 34, 42
Time sales	11
University of Nebraska dormitory and food service facilities plans	26
RESOLUTIONS, LEGISLATIVE	
1 Supreme Court Determination of Constitutionality and Limitation upon Interest Rates	39, 43
1 The Validity of LB 11 (Substitute)	125, 126, 210, 213
2 Nebraska Educational Television Commission— Copies of Plans and Specifications	124, 130, 131, 179
3 Private Letter to Director of Welfare	160, 179, 198
4 Television Study by Competent Engineers	160, 179
5 Memory of Edward J. Miille	213, 214, 220
6 Orange Bowl Hopes for Nebraska Football Team	219, 220, 221
7 Tribute to the President	223, 224
RETAIL INSTALLMENT SALES FUND; refunds, LB 15	240
REVOLVING CHARGE AGREEMENTS; retail sales, LB 16	241
RULES; adopted Seventy-third Session	4
SCHOOL LANDS; Craft remarks, investigation	20
SCHOOLS; driver education program, elimination, LB 10	239

GENERAL INDEX

257

	Page
SESSION LAWS	
Clerk to furnish	226
On members' desks, Supplement	17
Printing	227
Publishing paper-back	221
SUPREME COURT	
Decisions, written contracts, LB 24	244
Opinions, Legislature, Constitutional amendment, LB 2	236
Interest rates, LR 1 (See Resolutions)	
TELEVISION	
Nebraska Educational, plans, specifications, LR 2 (See Resolutions)	
Nebraska Educational, study by competent engineers, LR 4 (See Resolutions)	
Omaha, local programming, F.C.C. report	43
UNANIMOUS CONSENT	
Bill drafter, discussion on LB 16, LB 17, LB 18	157
Consider motion on report	166
Designate request on LB 5, LB 6, LB 7	24, 75
Hearing room change	36
Hearings on usury bills	34
Hold Final Reading Bills	179
Hold for discussion, time sales bills	108
Hold Klaver motion	119
Hold report	93
Print analysis	133
Print article	95, 121
Print Attorney General opinion	119
Print pamphlet	140
Print statement in Journal	192
Withdraw LR 1	125
UNIVERSITY OF NEBRASKA	
Claim payment, vegetable research, LB 4	237
Dormitory and food service facilities plans	26
Dormitory bonds	17
Football team, Orange Bowl hopes, LR 6 (See Resolutions)	
Game, Forestation and Parks Commission, real estate, LB 3	236

	Page
VISITORS, ADDRESSING LEGISLATURE	
Cunningham, Representative Glenn	210
Hoye, Charles	213
O'Brien, Representative William J., Minnesota	193
Powers, Lt. Col. John "Shorty", voice of Mercury Control	112
von Vittinghoff-Schell, Baron Felix, Germany	166

VISITORS, FOREIGN COUNTRIES

Atmodiningrat, S. K., Indonesia	23
Dah, Miss Eileen, Dublin, Ireland	166
Dawes, Miss Margaret, Dublin, Ireland	166
de Vera, Miss Ludy, Daet, Camarines, Norte, Philippines	47
Hardin, Mrs. Wallace A., Dublin, Ireland	166
Hernandez, Mrs. Pat, Davao City, Philippines	47
Hsiang-Ping Chen, Dr., Taiwan	43
Martiney, Mrs. Irene, Ecuador, South America	24
Morf, Johanna, Dorfstrasse 220, Bruttisellen, Zurich, Switzerland	131
O'Campo, Mrs. Julia M., Calasiao Rangasinan, Philippines	47
Reksodipoero, Soebagio, Indonesia	23
Roetman, Eduardo, San Martin, Argentina	33
von Vittinghoff-Schell, Baron, Felix, Germany	163
Wong, Jennings, Interpreter	43

WATER CONSERVATION DISTRICTS; easements,	
rights-of-way, LB 1	236

